



MEETINGS OF THE

# Management Committees

TMC/RMC Joint Meeting	Transit Management Committee (TMC)	Rail Management Committee (RMC)
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Date:  
April 7, 2021

Starting Time  
**11:00 a.m.**

**Meetings to occur sequentially**

Location:  
Via Webex/Phone

**If you require assistance accessing the meetings on the 10<sup>th</sup> floor, call 602.262.7433.**



# Agenda

March 31, 2021

**Joint Meeting Agenda  
Transit Management Committee  
And  
Rail Management Committee**

Wednesday, April 7, 2021

**Webex/Phone  
11:00 a.m.**

Action Recommended

1. Public Comment (yellow card)

1. For Information

Public comment is being taken in written format and will be entered into the official minutes of the meeting.

2. Chief Executive Officer's Report

2. For information

Scott Smith, CEO, will brief the TMC/RMC on current issues.

3. Minutes

3. For action

Minutes from the March 3, 2021 TMC/RMC meeting are presented for approval.

4. Fare Inspection and Security Services (FISS) Contract Award

4. For action

Staff recommends that the TMC/RMC forward to the Boards of Directors authorization for the CEO to execute a contract with Allied Universal Security Services for an amount not to exceed \$52,332,000 for the total five-year contract (three-year base contract with two one-year renewal options), with a total contract value for VMR of \$50,781,000 and \$1,551,000 for the RPTA.



5. Cyber Security Assessment and Next Steps

5. For information

Staff will provide a report on Valley Metro's 2021 cyber security assessment and summarize the actions for improvement in 2021.

6. Status of Valley Metro's COVID-19 Response Plan Phase II

6. For information

Staff will provide an informational update on the status and current activities to continue the agency's response to the COVID-19 pandemic.

7. Travel, Expenditures and Solicitations

7. For information

The monthly travel, expenditures and solicitations for Valley Metro RPTA and Valley Metro Rail are presented for information.

8. Future Agenda Items Request and Update on Current Events

8. For information

Chairs Strunk and Brady will request future agenda items from members, and members may provide a report on current events.

9. Next Meeting

9. For information

The next meeting of the TMC/RMC is scheduled for **Wednesday, May 5, 2021 at 11:00 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at [www.valleymetro.org](http://www.valleymetro.org).



# Information Summary

**DATE**

March 31, 2021

**AGENDA ITEM 1****SUBJECT**

Public Comment

**PURPOSE**

Public comment is being taken in written format and will be entered into the official minutes of the meeting.

**COST AND BUDGET**

None

**RECOMMENDATION**

This item is presented for information only.

**BACKGROUND | DISCUSSION | CONSIDERATION**

None

**COMMITTEE PROCESS**

None

**CONTACT**

Scott Smith

Chief Executive Officer

602-262-7433

[ssmith@valleymetro.org](mailto:ssmith@valleymetro.org)

**ATTACHMENT**

None



# Information Summary

**DATE**

March 31, 2021

**AGENDA ITEM 2****SUBJECT**

Chief Executive Officer's Report

**PURPOSE**

Scott Smith, Chief Executive Officer, will brief the TMC/RMC on current issues.

**COST AND BUDGET**

None

**RECOMMENDATION**

This item is presented for information only.

**BACKGROUND | DISCUSSION | CONSIDERATION**

None

**COMMITTEE PROCESS**

None

**CONTACT**

Scott Smith

Chief Executive Officer

602-262-7433

[ssmith@valleymetro.org](mailto:ssmith@valleymetro.org)

**ATTACHMENT**

None



# Minutes

## DATE

March 31, 2021

## AGENDA ITEM 3

Joint Meeting of  
Transit Management Committee  
and  
Rail Management Committee  
Wednesday, March 3, 2021  
Via Webex/Phone  
11:00 a.m.

### **Transit Management Committee Participants**

Erik Strunk, City of Peoria, **Chair** (phone)  
Ed Zuercher, City of Phoenix, **Vice Chair** (phone)  
Gina Montes, City of Avondale (phone)  
Roger Klingler, City of Buckeye (phone)  
Ryan Peters for Josh Wright, City of Chandler (phone)  
David Trimble for Grady Miller, Town of Fountain Hills (phone)  
Mary Goodman, Town of Gilbert (phone)  
Kevin Phelps, City of Glendale (phone)  
Julie Arendall, City of Goodyear (phone)  
Reed Kempton, Maricopa County (phone)  
Chris Brady, City of Mesa (phone)  
Bruce Gardner, Town of Queen Creek (phone)  
Ratna Korepella for Mark Melnychenko, City of Scottsdale (phone)  
Mike Gent, City of Surprise (phone)  
Steven Methvin, City of Tempe (phone)

### **Members Not Present**

Crystal Dyches, City of El Mirage  
Aubree Perry, ADOT  
City of Tolleson

### **Rail Management Committee Participants**

Chris Brady, City of Mesa (**Chair**) (phone)  
Ed Zuercher, City of Phoenix, (**Vice Chair**) (phone)  
Ryan Peters for Josh Wright, City of Chandler (phone)  
Steven Methvin, City of Tempe (phone)

Chair Strunk called the meeting to order at 11:04 a.m.



Chair Strunk said welcome everyone. We will go ahead and get started. Before we get into it, always the gentle reminder. If you have a question, we have a chat room. Be sure to enter your comments there.

1. Public Comment

*Written comment submitted.*

My name is William Charles "Blu" Crowley, III and this is for the Management Committee of the Transit managers and also the Rail management.

I find it fascinating that the cover sheet now has Valley Metro Rail and then Valley Metro. Is that because now your committee is more in tune and the more important thing is rail than the bus and transit and the other parts of the equation?

I'd like to point out that in the document of 2006 on the Regional Transit Plan, the Project Services supported by the Regional Transit Plan is 2006 to 2026 and it's super bus grid project I'd like to point out that all of the ones that were supposed to be done in 2019, there are some that you got ahead of time, but most of them aren't even being dealt with especially on the west side. Those that are going to Litchfield Road.

I know that back in November, you all were going through the parity projects and such well, I'd like to get a copy of the document that was produced that showed all of the transit projects on the west side even further and more total in this all for the rest of the region. It was a continuing, expanding projects and such, but one of my favorite things that I noticed in the document at the first of it was where it was showing what was going to be done with the high-capacity rail. And noting that northeast Phoenix is supposed to get one -- oh, yeah. You guys kicked that to the curb and that's how you say you've got money for the rest of it, but with the express transit services they one of the Loop 303 Express from Arrowhead Towne Center to Desert Sky that's at the same time that you are saying that you're going to get a bus running from Desert Sky mall to Arrowhead transit center, but instead of using the 303, it would be 83rd Avenue and 75th Avenue. I'm just wondering why the added mileage and the thoughts, but the document has not been adhered to to the extent that it should.

When I look at the statements of funding and that for capital funds and the light rail capital, it says bus operations \$2.8 billion plus capital \$1.7 billion with Phoenix Transit bus operations or \$905 million added to it. I know that these were in 2006 dollars, but that's the way the breakdown was supposed to go. I don't see where he has been spending that way for the projects that are. And with that that is the public -- well, one more thing.

I was interrupted from being able to get with guys on the 6th of January, but I believe it was God's will because I got to watch my country being taken over and sacrificed with



the box received by my favorite thing of the world, the right wing of the Republican party and all of their nuanced supporters such as the Proud Boys, the 3%ers, et cetera. And have the denial at the impeachment. Interesting.

2. Chief Executive Officer's Report

Mr. Smith provided an update on the following items:

- ✓ Title IV Program Update and Timeline
- ✓ Valley Metro Named 2021 Best Workplaces for Commuters
- ✓ Calendar

3. Minutes

Chair Strunk said minutes from the January 6, 2021 TMC/RMC meeting are presented for approval.

**IT WAS MOVED BY ROGER KLINGLER, SECONDED BY ED ZUERCHER AND UNANIMOUSLY CARRIED TO APPROVE THE JANUARY 6, 2021 TMC/RMC MEETING MINUTES.**

4. Consent Agenda

Chair Strunk said I would like to ask any of the members if they would like any of these pulled for presentation or discussion? Okay. Hearing no requests.

**IT WAS MOVED BY ED ZUERCHER, SECONDED BY JULIE ARENDALL AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.**

5. New Fare Collection System (FCS) Customer Service Contract Award
6. New Fare Collection System (FCS) Retail Network Administration plus Smartcard

Chair Strunk said Mr. Smith would you like to introduce this item?

Mr. Smith said Mr. Smith said thank you, Eric. I am going to turn it over to Paul Hodgins who is leading our effort in the fare collection and he can give a presentation on items 5 and 6. Paul.

Mr. Hodgins said thank you, Mr. Smith. I in turn will turn it over to Tyler Olson, Budget Manager, who is actually going to do the presentation for you. Thank you. Go ahead, Tyler.

Mr. Olson said good morning, Mr. Chair, Members of the Joint Committee. I will walk you through the retail network and customer service awards. Both of these awards that



we are requesting today will support the future fare collection system replacement project that we are currently working on with City of Phoenix and Vix Technology. I will give some context for that project in the coming slides and then go into details on how these two awards will support that.

Mr. Olson provided a presentation which included the following:

- ✓ Fare Collection System Replacement
- ✓ New Features and Equipment
- ✓ Phasing of Features
- ✓ Fare Collection Procurements
- ✓ VM Procurement (2 slides)
- ✓ Recommendation

Mr. Brady said thank you for the presentation. The question the I have is -- talked so much about the vendor selection process. It's about the term of the contract. The only thing that concerns me is just the change in technology and, you know, what is going to be around? And how we are going to do things, you know, five years from now, seven years from now? Where does it allow for, things we don't know that may come about in technology and how we capture this kind of activity? So, how is that built into this? And I think about point of sales and doing those transactions, how that is just evolving so quickly in today's world. And I get it for the first, five years and I think you made a good case for that. I guess, what I am concerned about is after that. What happens if the technology is changing so rapidly? What options do we have? I am assuming, you know, just the way the kiosks or anything that we are assuming today will -- might be outdated in five years. So, share your thoughts with me on that.

Mr. Hodgins said Mr. Brady, I would be happy to answer that. So, the main project that is being managed by the City of Phoenix for all the hardware and software, one of the specifications there is that it is to be -- not to be propriety. It needs to be an open system and it will allow a lot of flexibility to change some of the hardware to work through the back end to address some of those changes within that contract. So, the open system really allows that flexibility. That is more on the hardware on the back-end side. Whatever changes come about after five years, or in the next five years, updates to the main fare collections system, we would reflect -- we would have the opportunity to make some adjustments to our, either the customer service network or to our retail network vendors to address any changes to the overall system.

Mr. Brady said okay. I am just assuming there is going to be new technology in five years and we are all going to go, you know, we do not want to be using ten-year-old technology at some point we are going to want to be on the latest. So as long as we have some flexibility and it sounds like that is built in, I think that is helpful. Thank you.



Mr. Hodgins said yes. Thank you.

Mr. Chair said are there any other questions the Committee has?

Mr. Phelps said yeah, this is Kevin. So just a couple things, first, on the question side, can staff walk me through the PCI risk element? You have identified a \$17 million risk to the organization because of PCI risk and so are we -- am I to believe then that the way this contract is established is that we are 100% fully identified on any kind of risk for any kind of, you know, intrusion into the PCI network?

Mr. Hodgins said Oz, do you want to take that one? I think the PCI compliance is more the IT realm.

Mr. Ozlin said certainly. By having someone fully outside of our network doing this task, the -- our network is not in scope. We do not have to undergo PCI compliance testing. We do not have to harden our systems according to those guides. We can do the more standard levels of security for a non-credit card processing business. When it comes to full risk, we still need to retain insurance to cover the residual risk for since we are the ones who are involving them as the vendor. We are hiring them as the vendor, Valley Metro is still going to be the name of, you know, on all of the processing documents. We are going to be the name that people know, and we are going to be the people that the payment card industry council will come to if there is a breach. So, it moves a lot of the risk, but there is still some residual risk which is easily covered with insurance.

Mr. Brady said and, again, that is kind of what I assumed and when I see that the staff report says, a significant reason for going this route versus doing it inhouse is the PCI risk, but the reality is we still have that PCI risk. I just want -- need to understand did we calculate another model to where if we are going to have to fully insure it anyway is that really then a risk to the -- is that really the risk that led to the decision to go this direction?

Mr. Ozlin said yes, it is because of the level of effort and expense that we would have to do on our networks to cover it ourself. So, it reduces the likelihood of realization of the risk. You have someone whose day-to-day business is handling these transactions and making sure they remain secure so it is a better level of effort, a reduction of likelihood in the realization of that risk. And we do not have to cover all of the risk because some amount of it, and I do not have that exact number at fingertip, is transitioned to the vendor. We just insure the residual and the insurance was included in the cost assessments which this request is based upon.

Mr. Brady said great. Thank you.

Mr. Brady said a second question then. Help me with the -- is there any offset of cost regarding customer service? Obviously, we -- did I hear it right that the City of Phoenix is providing -- currently, provides that customer service? So, there is really no offset



here. It was part of our -- the way we approached the partnership with Phoenix, they are more heavily invested on the equipment in that side of it and we are going to be taking on the customer service? Or was -- or do we have an offset for customer service?

Mr. Olson said Mr. Phelps, I can answer that question. So, City of Phoenix currently performs the retail network function. As mentioned, the media costs with today's media and today's fare collection system is more expensive than it will be in the future with the lifespan of the reloadable smart cards as well as some of the recoveries that we are investigating such as the \$2 nominal fee to register your card in which you might get a free ride. That will help offset the cost of that network as well, so I think that combined with savings, looking at this holistically, there will be a reduction overall. The customer service portion of this is new, above and beyond what we have today. There -- it is a much, more complex fare collection system that will require more training on how to handle, you know, PCI, payment card industry practices and, you know, with the website, you know, being able to look up account information, process transactions over the phone, you know, all types of different inquiries, we are essentially needing additional customer service with that skill set to do that.

Mr. Smith said and Kevin, if I could, this is Scott. Right now, Valley Metro runs the customer service for the entire region including covering for Phoenix Transit. That customer service is primarily route and other issues, but if somebody has a problem with a mini-machine or a ticket, they would call -- they are currently calling our existing customer service number and then they pass it on. I think what Tyler is explained is that because this customer service that would be related to the new fare medium is so much more extensive and technical in nature, we would add the capabilities with Vix and they would handle only those customer service issues related to the fare system. Our existing customer service would continue to handle general questions and other issues that come up through that, but we run that right now, but this is far beyond their expertise and ability to handle that right now, so we are adding those capabilities to our customer service.

Mr. Brady said well, thanks, Scott. I mean, to be honest, I mean, look at a almost a \$2 million a year customer service initiative as being incredibly significant especially when we really kind of think we are moving towards, you know, smarter platforms for how we transact business as an efficiency measure, in addition to being more friendly to the consumer. And this amount to me kind of, to be honest, just kind of took my breath away.

I guess, the last question that I had was regarding, I know there is an exploration of charging the customer an initial at least base cost for the cards, I understand they are \$2 to \$2.50 are card, but that hasn't been decided. And it would seem to me that we should at least charge for the initial cost so that people have an incentive not just to toss it -- I think a lot of people may just toss it because they are not paying attention to it, but



there -- a lot of this cost is that replacement -- we will be getting this in that next item. That is, again, a fairly large number for just the, you know, for the replacement of the cost so where -- when do you expect to have a decision made on the model for how we are going to charge customers for this? Is that something that is going to happen later down the road? Because I see them as being somewhat intertwined.

Mr. Hodgins said yes, Mr. Phelps, we have several fare-policy issues not just with, you know, fees for the cards, but how we are going to manage the fare policy in the future that we are working through right now. We expect probably by fall to have that through the committee process to get some decisions from the Board and the Phoenix City Council on what that fare policy looks like and those fees for card, card fees would be part of that fare policy.

Mr. Brady said okay. Well, that is my questions. It just still seems to be, I mean, between the two we are talking \$35 million almost over a 10 year period just seems to be -- I am just having, as I said, a hard time wrapping my arms around what in reality is a -- the ticket machines are certainly proprietary type of technology, but the smart, the loading of a smart phone, the loading of money onto a medium and then the back office exchange and accounting for that is rather straight forth technology I should say. I mean, I am not a technologist, but I can certainly point to a lot of different private sector companies that implement that kind of technology on a daily basis and I would just -- I have just been struggling with the total. I may be the only Board member that was concerned about this so I will seed it over to the rest of the Board, but it did -- it has caught me a little bit kind of challenged to try to get to say yes on this.

Mr. Hodgins said thank you, Mr. Phelps. You know, one of the things that we looked at is really creating a "not to exceed". We don't know what the customer service demand will be, what the call demand, call volumes will be. So, we tried to look at some other areas where Vix has implemented and see what kind of volumes they have, but we have estimated, I would say on the high end just to be safe, but we are only going to pay for the customer service that we need. We do see an immediate need on the reduced fare ID rollout, some support there, but, you know, once the system is more established, we may be able to pull back. We just, you know, once we see what -- how much the smart card and mobile tickets are adopted in the system and how well the system works, we may not need to -- we are hoping we do not need to spend all of that.

Mr. Smith said yeah. And if I could add something too. I mean, Mr. Brady talked about technology that is out there. I think in the industry people are moving toward the technology that actually could be implemented, well, I won't say could be implemented, but the idea that it is completely a hands-free kind of experience. That you literally would have an amount on your -- an app on your phone or wherever it is, you would walk into a bus or walk onto a train and the train would automatically connect with your phone and charge your account so that you go away and you do not need things like smart cards. That would be the perfect world. We do have other issues such as equity issues, Title 6



issues that means that you cannot design a system that would shutout disproportionately and so you have to design a system that allows for those other kinds of mediums.

We are moving away from paper because I think, as Tyler said, paper is actually more expensive in the long run than these cards are because they are all disposable and I think we would like to move away from that. But as technology expands and maybe becomes better this whole expense around these smart cards and everything may be able to be eliminated. And that is, like you mentioned, more of a software issue because the hardware is purchased by the rider and all we have to do is do -- is get the beacon or the communicator on the bus or the train to be able to connect with the, whatever the device is. And we will look at that and try to move from that while still maintaining our Title 6 obligations and serve the customer.

So, as Paul said, these are big numbers. Taken in context with where we want to go and the cost that would be incurred to accomplish that, we think that over long run it is still less expensive than continuing on with our existing proprietary system which requires paper tickets and platinum card type things which still require to be taken care of.

Mr. Zuercher said just what have other cities done with this Vix system? Who else has used it? And where have they used the Vix customer call center?

Mr. Olson said Mr. Zuercher, so Vix, specifically, has been involved in Dallas's system delivering the mobile app, I believe one of their subs as well as this newer version of the ticket vending machine. In Canada, as well as they have the same devices, I think it is an older generation, down in Tucson Sunlink. The Canadian city is Edmonton, by the way. But I know they have done just customer service at some areas and I don't recall off the top of my head, but I can certainly get that information to the group.

Mr. Zuercher said so, I know for my Mayor that is always an important question so I just suggest when you have this for the full Board, you should have a section about the experience of other cities with this technology and with the customer call center. I think it would be good. When will the customers -- when will the riders start using the fare media and the call center?

Mr. Olson said so the call center services that would start as soon as we begin our reduced fare rollout ahead of Phase 2. Phase 2 is currently scheduled for roughly end of fiscal year '23, I want to say May of '23. So, essentially, the customer service team is going to be very busy helping get the reduced fare in hands, get those applications processed, photo IDs in place ahead of the launch of Phase 2 in which everyone can start using the new smart card media at that time because then the ticket vending machines and the validators will be in place along with the retail network.



Mr. Zuercher said so two years from now, roughly? Is that right? Roughly two years from now?

Mr. Olson said yes, just a little over two years.

Mr. Zuercher said okay. And then I just -- I noted that the -- that InComm -- in the selection, InComm had a lower score, technically, than Vix, but they were very superior on pricing. Is there some assessment as to any risk of splitting the system? There would certainly be something to be said for Vix handling everything, but apparently, there was enough of a difference that that would -- that was overcome. Is that the case, Paul?

Mr. Olson said so I can answer that. Essentially, InComm has done this work with Vix at other properties. There was some -- as part of the Vix Technology, we saw that the pricing was a little bit high and there was potentially an extra position that the panel felt wasn't necessarily needed and that the better value would have been InComm on that side.

Mr. Zuercher said okay. I think that also would be helpful. I know my mayor will ask questions about that, so I think it's helpful to note where else InComm and Vix have collaborated or been used in that way so. Those are all my questions. Thank you.

Chair Strunk said thank you. Are there any other questions? Okay. Hearing none. These are action items and, I believe, the request is to have a motion and a second for both at the same time if that is appropriate. The first would be the 10-year retail sales network contract with InComm in an amount not to exceed the amount \$10.217 million. And the second one would be another 10-year contract with -- customer service network contract with Vix not to exceed an amount of \$24.166 million.

**IT WAS MOVED BY ED ZUERCHER, SECONDED BY ROGER KLINGLER AND UNANIMOUSLY CARRIED TO FORWARD TO THE BOARD OF DIRECTORS THE 10-YEAR RETAIL SALES NETWORK CONTRACT WITH INCOMM IN AN AMOUNT NOT TO EXCEED THE AMOUNT \$10.217 MILLION. AND THE SECOND ONE WOULD BE ANOTHER 10-YEAR CONTRACT WITH -- CUSTOMER SERVICE NETWORK CONTRACT WITH VIX NOT TO EXCEED AN AMOUNT OF \$24.166 MILLION.**

7. East Valley High-Capacity Transit (HCT) Studies Update

Chair Strunk said item 7, Mr. Smith.

Mr. Smith said thank you, Eric. We wanted to let you know what is going on out there and there are some of your cities that are anxiously looking at ways to expand their transit and transportation. And one, in particular is the cities of Tempe, Mesa, and



Chandler over the years have been involved and asked Valley Metro to conduct a variety of studies as it relates to high-capacity corridors. We did some more specific studies for the cities of Mesa and Tempe. A lot of this driven by the pending completion of the Tempe Streetcar and how that might be extended or other high-capacity transit could be extended in other corridors in the East valley. I wanted to give you an idea of some of those results of those studies. And would like to turn it over to Omar Peters who led that.

Mr. Peters provided a presentation which included the following:

- ✓ Three Separate Studies
- ✓ Why – Growing Needs for Multi-modal Solutions
- ✓ Why – Identified as High-need Area in Other Efforts
- ✓ How – Feasibility Study vs. Alternatives Analysis
- ✓ How - Community Outreach
- ✓ Outcome – Final Recommendations TMSFA & FDAA
- ✓ Outcome – Final Recommendation AAAA
- ✓ Outcome – How Does Transit Fit into the Future of Transportation?
- ✓ Next Steps
  - Improve Existing Transit Service
  - Encourage Transit-supportive Land Use
  - Consider Early-action Projects
  - Coordinate with Regional Partners

Mr. Smith said thank you, Omar and I thank you for that presentation. And Eric and Members of the committees, what we want to do is give you a glimpse of the kind of work that our exceptional staff and especially Omar's teams does for cities. Usually, this is done at your request and I just want to give you a glimpse as to some of the important work they do in helping us to plan our future. They are available for you and your staff to work with use their expertise and use the services that they provide and this is a -- just an idea of some of the good things they can do for three cities in the east Valley.

So, with that Mr. Chair, I will turn it back to you for any questions.

Mr. Chair said thank you, Mr. Smith and thank you, Mr. Peters, that was a very, nice, robust presentation. Do any of the Committee members have any questions of the presentation? All right. Thanks, again, for the good work there.

## 8. Quarterly Reports

Chair Strunk said this is an informational item. Do any of the Committee members have questions? All right. Hearing none.



9. Travel, Expenditures and Solicitations

Chair Strunk said same concept. It's an informational item. Any questions of the Committee members? Great. We will keep moving along then.

10. Travel, Expenditures and Solicitations

Chair Strunk said does anyone have a request for a future agenda item or would like to report on a current event as it relates to transit. I will throw that open to the group here. Okay. I'm not hearing anything there.

11. Next Meeting

Just a reminder we will be meeting on Wednesday, April 7th, 2021 at 11:00 a.m. The meeting is adjourned.

With no further discussion the meeting adjourned at 11:58 a.m.



# Information Summary

## DATE

March 31, 2021

## AGENDA ITEM 4

## SUBJECT

Fare Inspection and Security Services (FISS) Contract Award

## PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a contract with Allied Universal Security Services for fare inspection and security services (FISS) effective July 1, 2021, for a total of five years (three-year base contract with two one-year renewal options). For the total term of the contract, for an amount not to exceed \$52,332,000.

## RECOMMENDATION

Staff recommends that the TMC/RMC forward to the Boards of Directors authorization for the CEO to execute a contract with Allied Universal Security Services for an amount not to exceed \$52,332,000 for the total five-year contract (three-year base contract with two one-year renewal options), with a total contract value for VMR of \$50,781,000 and \$1,551,000 for the RPTA.

## BACKGROUND | DISCUSSION | CONSIDERATION

The fare inspection and security services contractor provides valuable services by ensuring fares are paid by light rail passengers along with helping to create a safe environment for passengers utilizing our bus and rail facilities, park-and-ride lots, and passenger stations along the light rail alignment. This service results in increased public confidence in their safety and well-being while using Valley Metro services. The scope of this contract also includes security at Valley Metro bus and rail maintenance facilities at two locations: Operations and Maintenance Center in Phoenix and the Greenfield Transit Bus Facility in Mesa.

### Security Services Contract Milestones

Over the course of the last five years of the existing contract, Valley Metro worked, in coordination with member cities, to address ridership concerns regarding lack of visible security presence/fare inspection on the system, rider safety, increase in security incidents and a rise in customer service complaints. A summary of enhancement milestones is listed below:

- **April 2015:** A focus on customer service experience as an added minimum hiring requirement.
- **August 2016:** After conducting a push to inspect 20% of the ridership, fare compliance remained flat at 92-94%. Focus then turned to visible security presence and revenue recovery in lieu of civil citation or penalty. VM directed a renewed focus on “Presence Matters”, maintaining fare inspections of 15-17%, enhanced customer service and revenue recovery to reduce incidents and allow for more one-on-one time with ridership.



- **April 2017:** Change order initiated to the existing contract to increase presence on the system. Valley Metro coordinated with the member cities to implement the Transit Police Officer Program (TPOP) to supplement security services.
- **October 2017:** Code of Conduct refreshed and approved by the Board. Respect-the-Ride kicks off and is designed to support security services, refresh and correct station signage, clearly designate paid fare zones and add Right and Rong marketing for positive messaging.
- **August 2018:** Increase of the hourly rate to support a competitive wage market in security services.
- **November 2018:** Initiated “Alert VM” mobile application. This provided riders with the increased ability to report incidents at the initial stages.
- **May 2019:** Extension of the two option years to the existing contract included a 2% increase for staff for FY’20 but suspended for FY’21 (COVID environment)
- **October 2019:** New deployment model designed to split teams per consist. The two-person teams were split with one person per car. Standard Operating Procedures included how to provide for officer safety while also showing a presence on approximately 35-40% of the fleet. Plans were in place to staff up to 75% of the fleet with a security presence for the future (pre-COVID). Immediate results were seen through a reduction in customer service complaints and an increase in customer comments recognizing more presence on the system. Officer assaults reduced; incidents reduced.
- **Special Training to all contract employees (over 7 hours total training in the below categories):**
  - ✓ White Glove Customer Service
  - ✓ Ethics and Conduct
  - ✓ The Right of the People
  - ✓ Cultural Diversity
  - ✓ Behavioral Pattern Recognition
  - ✓ Management of Aggressive Behavior MOAB – 4-hour Verbal de-escalation

### **Current Contract Award Background**

In August 2016, the RPTA and VMR Boards awarded a three-year contract with two one-year renewal options to Allied Barton Security for fare inspection and security services (FISS). The second one-year option expires on June 30, 2021. In October 2020, the RPTA and VMR jointly issued a “best value” Request for Proposals (RFP) for FISS. The RFP was advertised in accordance with Valley Metro’s Public Notice procedure.

For “best value” procurements, selection is made by evaluation of proposals containing price, qualitative and technical components:

- Qualifications and Experience of Firm – 400 points
- Qualifications and Experience of Assigned Personnel – 200 points
- Understanding/Approach to Scope of Work – 250 points
- Proposed Price – 150 points



In November 2020, eleven proposals were received which were determined to be responsive.

- Allied Universal Security Services
- G4S Secure Solutions
- HSS
- American Guard Services, Inc.
- Anderson Security Agency
- Canyon Security Specialist & Consulting
- GardaWorld
- InterCon Security
- S.A.F.E. Management
- Securitas Services
- Transcend Security

A selection committee comprised of representatives from Valley Metro and member agencies evaluated the eleven proposals. The selection committee has finalized its evaluations of each firm’s technical proposal, and the agency has finalized evaluation of each firm’s price proposal. The Selection Committee ranked proposals and arrived at its award recommendation using a “Best Value” process which allows for a contract award based on a combination of technical and cost factors. Based on this process, the selection committee has selected Allied Universal Security Services as the firm whose proposal offers the “best value” to the agency

The following table shows the technical, cost, and combined scores for the eleven proposers:

Rank and Firm	Technical Score	Price Score	Combined Score
<b>1. Allied Universal Security Services</b>	808.40	135.24	943.64
<b>2. HSS, Inc.</b>	743.20	131.04	874.24
<b>3. G4S Secure Solutions</b>	755.80	109.73	865.53
<b>4. GardaWorld</b>	708.00	139.02	847.02
<b>5. S.A.F.E. Management</b>	713.20	126.38	839.58
<b>6. InterCon Security</b>	686.60	129.90	816.50
<b>7. Transcend Security</b>	674.60	138.03	812.63
<b>8. American Guard Services, Inc.</b>	693.20	114.24	807.44
<b>9. Anderson Security Agency</b>	671.00	127.90	798.90
<b>10. Securitas Services</b>	649.60	128.57	778.17
<b>11. Canyon Security</b>	534.80	150.00	684.8

A cost estimate was prepared prior to soliciting to assist with preplanning and with the evaluation review process. Additionally, the cost estimate in coordination with the price analysis assisted in the determination of fair and reasonable for this procurement.

This negotiated contract is a firm fixed price contract with no price escalation or adjustment based on the contractor’s cost experience while performing the contract. Additional staffing for fare inspection and security hours is provided related to growth and expansion of the system. The RPTA staffing model for the Greenfield Facility in Mesa will not change.



**COST AND BUDGET**

The fare inspection and security services for approval has a total contract value of \$52,332,000 with funding as follows:

Agency	Year 1	Year 2	Year 3	Option Year 1	Option Year 2	Total
RPTA	\$ 295,000	\$302,000	\$310,000	\$318,000	\$326,000	\$1,551,000
VMR	\$7,864,000	\$8,060,000	\$8,548,000	\$9,065,000	\$9,300,000	\$42,837,000
Tempe SC	\$539,000	\$818,000	\$838,000	\$859,000	\$880,000	\$3,934,000
NWE	\$ -	\$ -	\$228,000	\$408,000	\$417,000	\$1,053,000
SCE	\$ -	\$ -	\$ -	\$1,172,000	\$1,785,000	\$2,957,000
<b>Total</b>	<b>\$ 8,698,000</b>	<b>\$9,180,000</b>	<b>\$9,924,000</b>	<b>\$11,822,000</b>	<b>\$12,708,000</b>	<b>\$52,332,000</b>

\*The cost for the current contract year, excluding Tempe Street Car, is \$8,055,000.

For the first year of the contract, the RPTA contract obligation is \$295,000, which is funded within the Valley Metro RPTA Adopted FY22 Operating and Capital Budget. Contract Obligations beyond FY22 are incorporated into the Valley Metro RPTA Five-Year Operating Forecast and Capital Program (FY2022 thru FY2026).

For the first year of the contract, the VMR estimated contract maximum, including Tempe Street Car, is \$8,403,000, which is funded within the VMR Adopted FY22 Operating and Capital Budget. Contract Obligations beyond FY22 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2022 thru FY2026).

The Year 1 cost in this proposed contract remains flat when compared to Year 5 of the current security contract, while maintaining the existing service levels. This contract shall be in effect starting July 1, 2021, with Board approval, for three years and two one-year options.

The sources of funding obtained from PTF and member city contributions.

**COMMITTEE ACTION**

RTAG: March 16, 2021 for information  
RMC/TMC: April 7, 2021 for action  
Board of Directors: April 22, 2021 for action

**CONTACT**

Adrian Ruiz  
Director of Safety, Security and Quality Assurance (SSQA)  
602-523-6054  
[aruiz@valleymetro.org](mailto:aruiz@valleymetro.org)

**ATTACHMENT**

None

# Fare Inspection-Security Services Contract Award

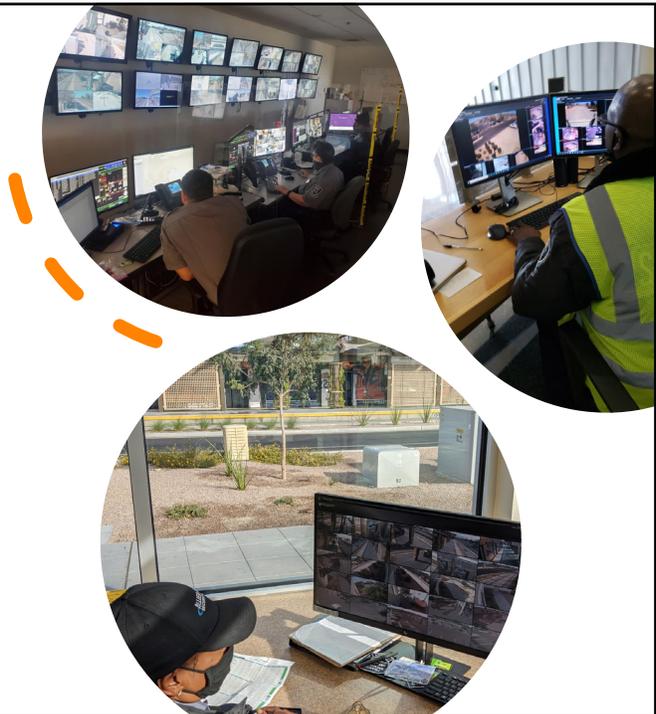
**April 2021**



1

## Security Team Responsibilities

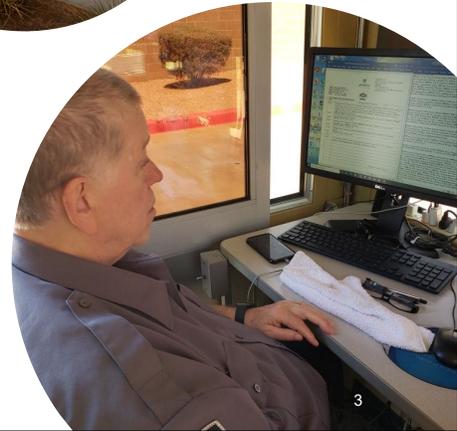
- **Bus**
  - Facility-fixed post Greenfield Bus Operations
- **Rail**
  - OMC Security Post/Patrol
  - Dispatch
  - Field Security Officers
  - Supervisors Field and Shift
  - PNR Security



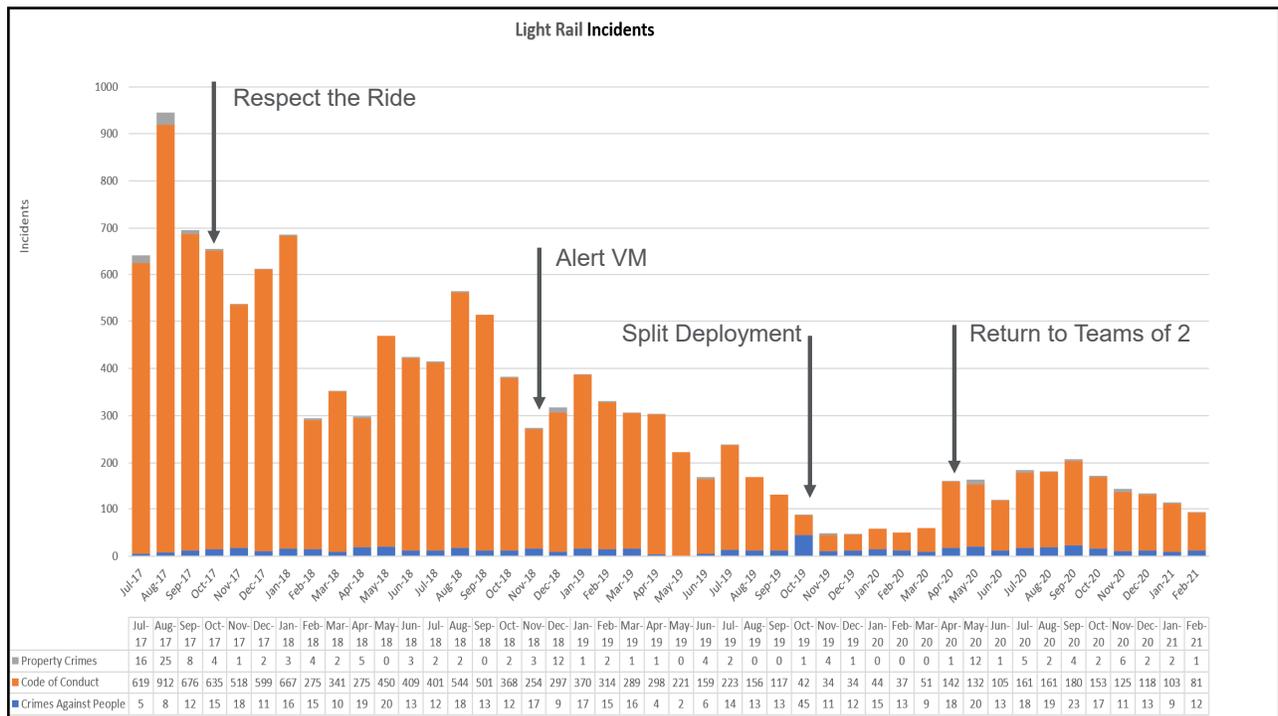
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## Security Services Milestone Presence Matters

- Focus on customer service
- Increase of security staff by 30% (2016)
- Respect the Ride
- Alert VM application-Ridership Tool
- New deployment model (pre-COVID)



3

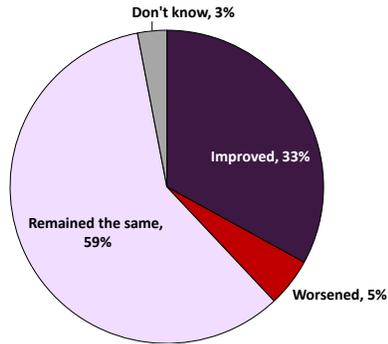


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# 2019 Rider Safety Study



## Your Personal Safety as a Rider Change Over Past 12 Months



Reason Personal Safety "Improved"	n=185
Increased security/see more security	54%
More rule enforcement/checking passes	12%
No problems/improving/feel safe	8%
Noticed less incidents/fewer fights	6%
Feel safer with app/ability to report problems	4%
Less people on drugs/drunk	3%
Nicer people using service	3%
Responsive/quick to respond	3%
Other	7%
Unsure	12%

5aNEW: Please explain why you feel your personal safety has improved/worsened.

Q5a. Based on your experience using Valley Metro Rail, do you think your personal safety as a rider has improved, remained the same, or worsened over the past 12 months?

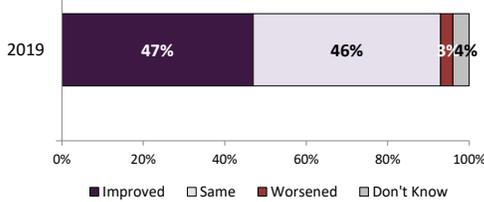
■ Improved ■ Worsened □ Remained the same ■ Don't know

# Presence Matters

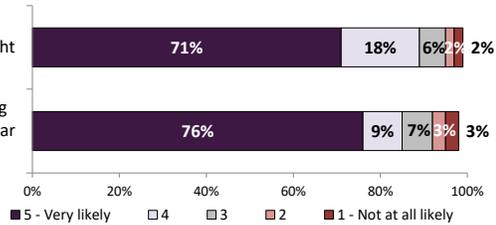


## Results of Staffing Increases-Deployment and Technology in 2019 and into 2020

### Perception of Change in Safety Over Past Year



Likelihood of Recommending Light Rail to others...  
Likelihood of Riding Light Rail in One Year  
Total n=557



# Security Services Core Values Customer Service Focus

- **Personal and Professional Accountability**
  - Take the Initiative
  - Be Responsible for your Actions-Own It
  - Headline Test
- **Exemplary Customer Service**
  - High Quality
  - Be Approachable
  - Golden Rule
- **Go Above and Beyond**
  - Set the Example
  - Consistent Service-equitable
  - End your Shift as you Began it-SAFELY



7

# Budget Discussion Cost Comparisons



8



## Five Year Summary

Agency	Year 1	Year 2	Year 3	Option Year 1	Option Year 2	Total
RPTA	\$ 295,000	\$ 302,000	\$ 310,000	\$ 318,000	\$ 326,000	\$ 1,551,000
VMR	\$ 7,864,000	\$ 8,060,000	\$ 8,548,000	\$ 9,065,000	\$ 9,300,000	\$ 42,837,000
Tempe SC	\$ 539,000	\$ 818,000	\$ 838,000	\$ 859,000	\$ 880,000	\$ 3,934,000
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The Year 1 cost in this proposed contract remains flat when compared to Year 5 of the current security contract, while maintaining the existing service levels. The cost for the current contract Year 5, excluding Tempe Street Car, is \$8,055,000.

9



## Recommendation

Staff recommends that the TMC/RMC forward to the Boards of Directors authorization for the CEO to execute a contract with Allied Universal Security Services for an amount not to exceed \$52,332,000 for the total five-year contract (three-year base contract with two one-year renewal options), with a total contract value for VMR of \$50,781,000 and \$1,551,000 for the RPTA.

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# Information Summary

**DATE**

March 31, 2021

**AGENDA ITEM 5****SUBJECT**

Cyber Security Assessment and Next Steps

**PURPOSE**

To provide a report on Valley Metro's 2021 cyber security assessment and summarize the actions for improvement in 2021.

**RECOMMENDATION**

This item is presented for information only.

**BACKGROUND | DISCUSSION | CONSIDERATION**

At its November 2020 meeting, the Board authorized Valley Metro to purchase professional services to conduct an assessment of Valley Metro's information security (IS) program and to provide a plan for improvement to address IS standard compliance issues.

That assessment has been completed. It assessed compliance with the National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF). NIST-CSF standards are used by all Federal agencies and most public entities. It provides standard for five domains of cyber security. The assessment of Valley Metro's performance in each of these domains was gauged using the Capability Maturity Model Integration (CMMI) which measures performance on a five-level scale from "Level 1: Reactive" to "Level 5: Optimized." The assessment found high levels of maturity in the "Detection" and "Recovery" domains and lower level of maturity in the "Identification" and "Protection" domains.

The attached presentation details these results and discusses the next steps planned for 2021 to continue to improve the IS program.

**COST AND BUDGET**

None

**STRATEGIC PLAN ALIGNMENT**

This item supports the following goal from Valley Metro's draft strategic plan:

- Maximize Organizational Effectiveness



**COMMITTEE ACTION**

TMC/RMC: April 7, 2021 for information  
Board of Directors: April 22, 2021 for action

**CONTACT**

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602-495-8234  
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**ATTACHMENT**

2021 Cyber Security Assessment

# 2021 Cyber Security Assessment



1

## Introduction – Andy Jordan

*Cyber Security Leader*



### Experience

- **15 years in cyber security** industry focused on program assessment and development
  - *Manufacturing, Transportation, Government, & Finance*
- **Multiple** security best-practice and technical **certifications**
  - *CISSP, CISM, MCSA, Sec+, Net+, ITIL v4, LeanIT, AWS SSA*
- **Founded New Genesis Solutions** in 2018
  - *Cyber security consulting and managed-services*

### Publications and Presentations

- **Multiple publications per year since 2017**
  - *Fox News – Data privacy and tracking devices*
  - *SC Magazine – Managing Cyber Incident Response Programs*
  - *Digital Guardian – Threat Predictions*
- **Recognized security leader and presenter**
  - *Dark Reading Summit – Building incident Response Programs*
  - *CactusCon – Building Vulnerability Management Programs*
  - *ISSA – Security Incident Response Program*

2

# Why Care About Cyber Security?

Cyber Security Breaches



Oldsmar Florida  
Live. Work. Play. Stay.



Kingman  
Arizona



TRINITY METRO



SEPTA



Transport  
for NSW



US O.P.M.

EQUIFAX

CWT

solarwinds

LinkedIn

Adobe

3

# Transit is a Target



In 2008 a teenager in Lodz, Poland, hacked his town's rail network with only a TV remote and a library computer, taking control of nearby trains and causing multiple derailments.

**The Register**  
**Polish teen derails tram after hacking train network**  
 Turns city network into Homby set

John Leyden Fri 11 Jan 2008 | 11:56 UTC

A Polish teenager allegedly turned the tram system in the city of Lodz into his own personal train set, triggering chaos and derailling four vehicles in the process. Twelve people were injured in one of the incidents.

The 14-year-old modified a TV remote control so that it could be used to change track points. The Telegraph reports. Local police said the youngster trespassed in train depots to gather information needed to build the device. The teenager told police that he modified track setting for a prank.

"He studied the trams and the tracks for a long time and then built a device that looked like a TV remote control and used it to manoeuvre the trams and the tracks," said Miroslaw Micor, a spokesman for Lodz police.

"He had converted the television control into a device capable of controlling all the junctions on the line and wrote in the pages of a school exercise book where the best junctions were to move trams around and what signals to change.

"He tested it like any other schoolboy might a giant train set, but it was lucky nobody was killed. Four trams were derailed, and others had to make emergency stops that left passengers hurt. He clearly did not think about the consequences of his actions," Micor added.

Transport command and control systems are commonly designed by engineers with little exposure or knowledge about security using commodity electronics and a little native wit. The apparent ease with which Lodz's tram network was hacked, even by these low standards, is still a bit of an eye opener.

Problems with the signalling system on Lodz's tram network became apparent on Tuesday when a driver attempting to steer his vehicle to the right was involuntarily taken to the left. As a result the rear wagon of the train jumped the rails and collided with another passing train. Transport staff immediately suspected outside interference.

The youth, described by his teachers as an electronics buff and exemplary student, faces charges at a special juvenile court of endangering public safety. ☹

4

## Transit is a Target



**Ransomware causes outage for San Francisco municipal transportation and allows all passengers free rides**



**Ticketing systems in station agents' booths also crashed. The attack lasted for two days.**

Hackers have managed to infect and take over more than 2,000 computers used to operate San Francisco's public transport system, forcing the Municipal Transportation Agency (MTA) to open the gates and allow passengers to ride for nothing.

The attackers used a variant of the HDDCryptor malware to infect 2,112 computers on Friday, encrypting their data and preventing them from operating normally - holding them to ransom for 100 bitcoins (\$38,314, \$73,086), according to the Register.

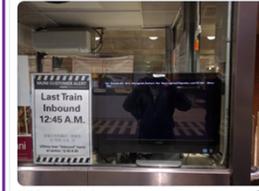
Every computer was left displaying a black screen with a ransom note written across it stating: "You Hacked, ALL Data Encrypted. Contact For Key (cryptom27@yandex.com)ID-681. Enter."

Colin Hellbut (Courier YC 519)

@ColinHellbut

Apparently the SF Muni fell victim to ransomware last night

#sanfrancisco #infosec



12:53 PM - Nov 26, 2016

125 135 Copy link to Tweet

A San Francisco MTA spokesperson declined to comment beyond saying: "There's no impact to the transit service, but we have opened the fare gates as a precaution to minimise customer impact."

The MTA's operational and worker machines were affected, disrupting email, payment services, but not core operations, which allowed trains to continue running without payment.

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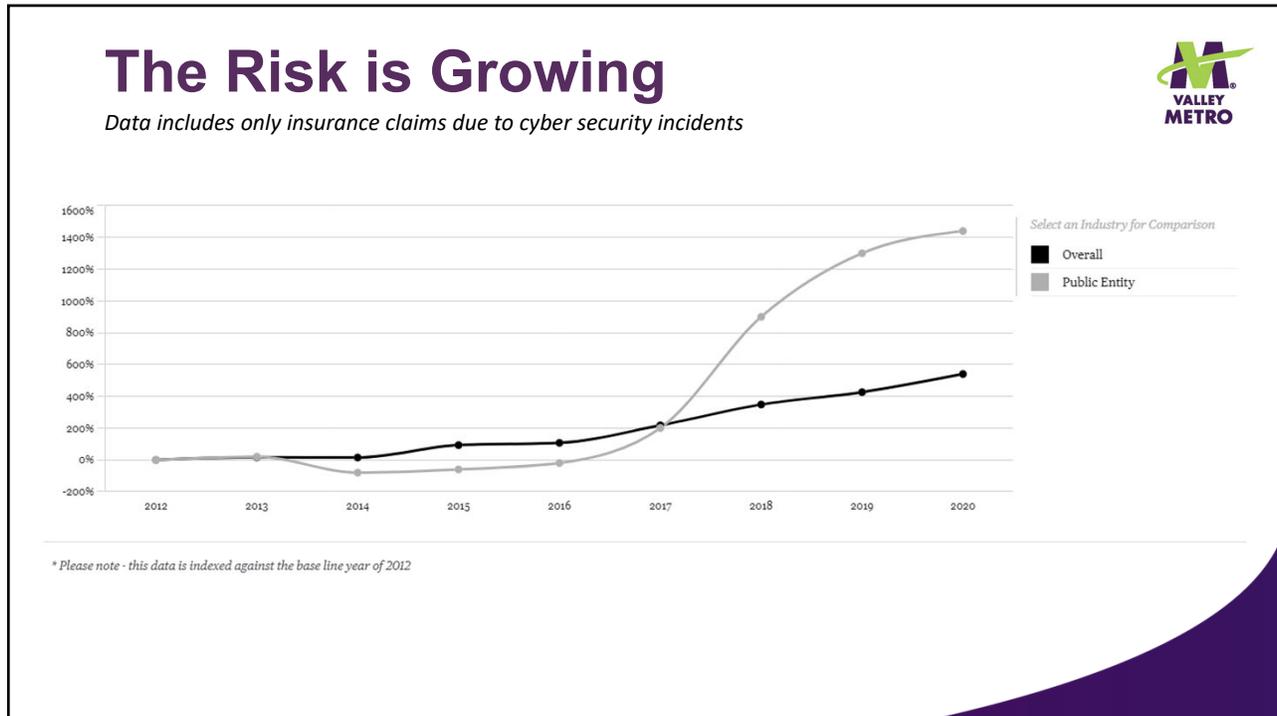
## Transit is a Target



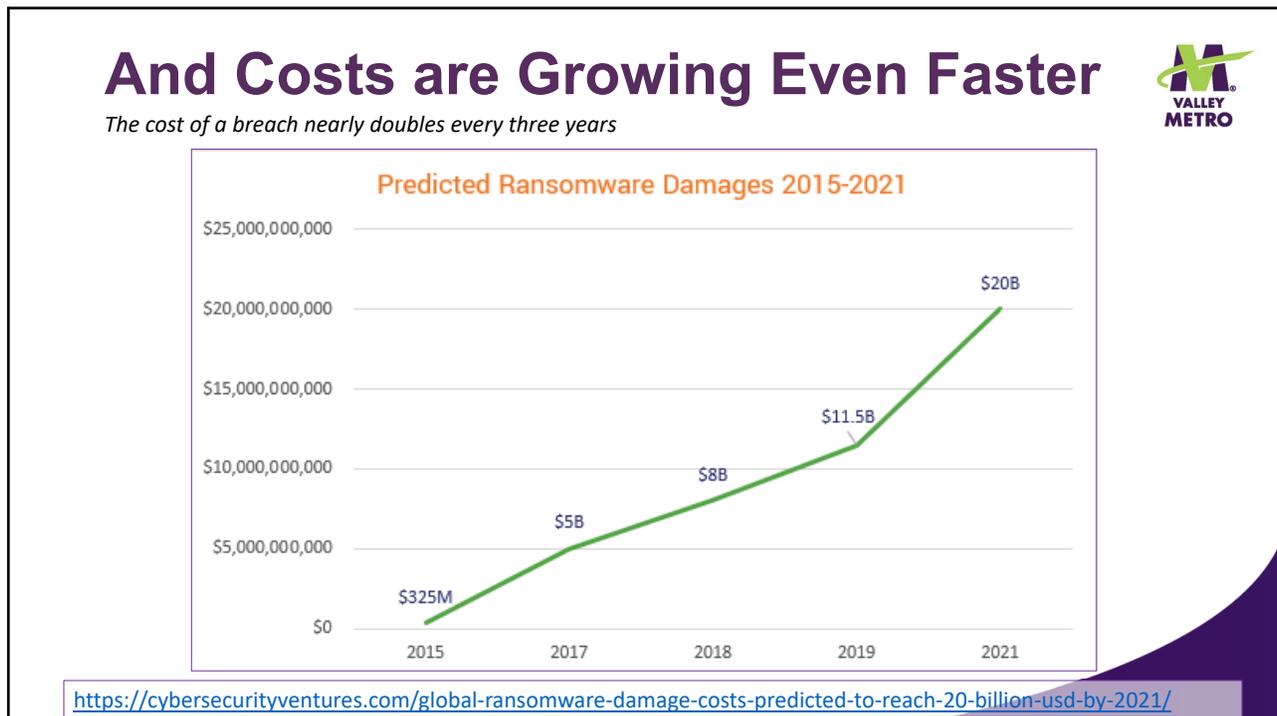
In May 2017, Deutsche Bahn, the German national rail network, suffered an attack on its data systems. The WannaCry virus affected 450 Deutsche Bahn computers, bringing down passenger information systems, ticket machines and CCTV networks. The same attack, which is thought to have originated in North Korea, hit the national railway systems in both Russia and China.



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## Wrapping Up

Valley Metro has a lot of systems and data that we are trying to protect



### Types of Data We Have?

- **Transportation/Operational Technology systems** – Bus and rail systems
- **Email** – Phishing attacks causing \$45k in financial loss (per avg. company)
- **Private Identity Information** – Rideshare profiles (and soon to be FCS)
- **HR Information** – Employees and contractor records (SSN, Tax info)
- **Credit Cards** – Legacy terminals processing credit cards
- **Medical** – Paper records are stored by vendors and partners
- **Financial** – Capital funding, procurement, and accounting information

9

## Assessment Findings & Objectives

Using NIST-CSF and CMMI



10

# How We Assess Info Sec

*Standards and Maturity Measurement*



Valley Metro's Information Security program was **started in 2017**

Valley Metro's Information Security (IS) program's objective is compliance with the **National Institute of Standards and Technology (NIST) Cyber Security Framework (CFS) standards**

- NIST-CFS establishes and defines security program standards that Valley Metro must meet to stay compliant with federal, state, and regulatory requirements

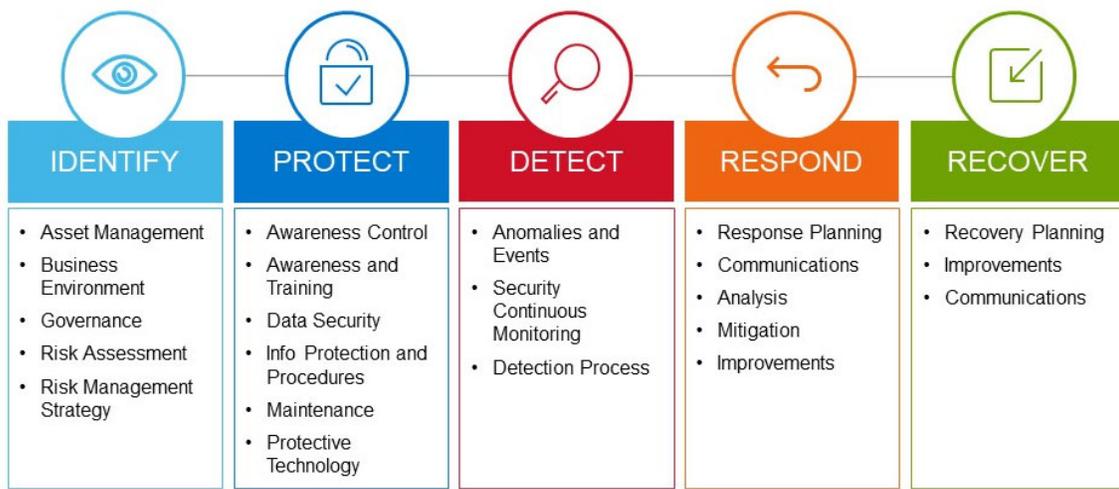
Valley Metro's IS program's results are measured using the **Capability Maturity Model Integration (CMMI)**

- CMMI is a nationally recognized model for gauging an organization's maturity on a continuum from reactive to optimized.

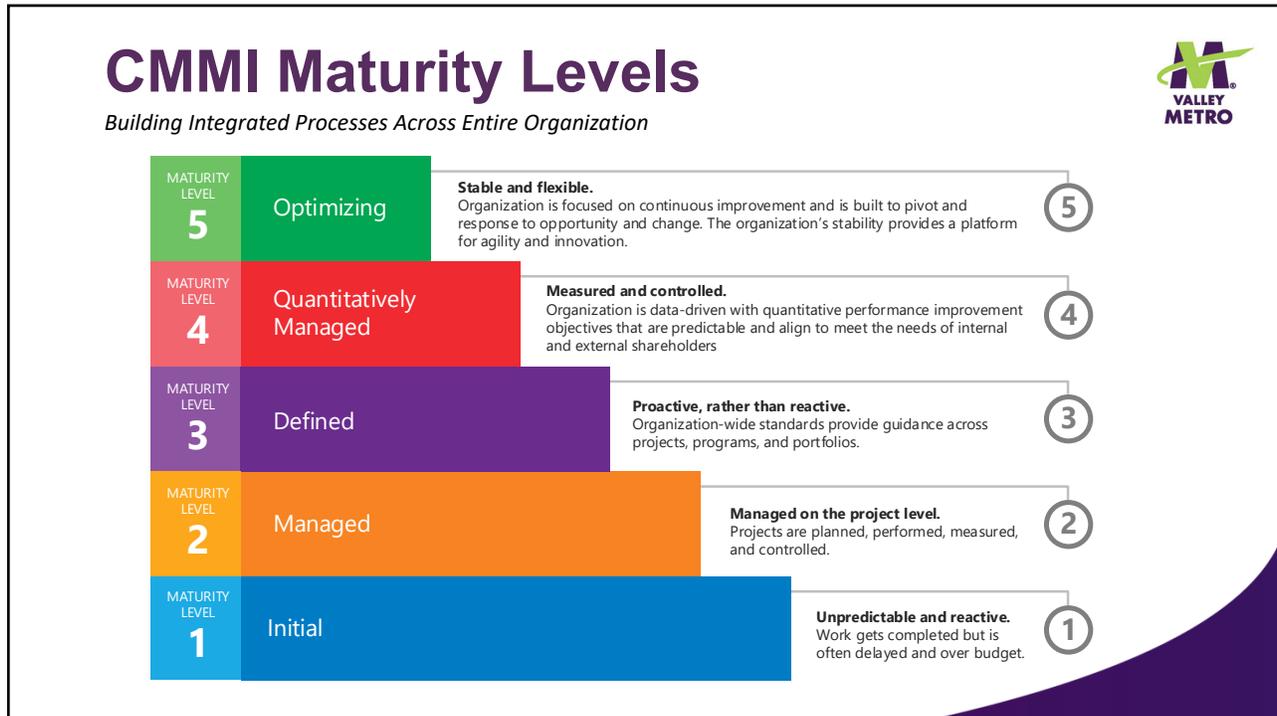
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# NIST – Cyber Security Framework

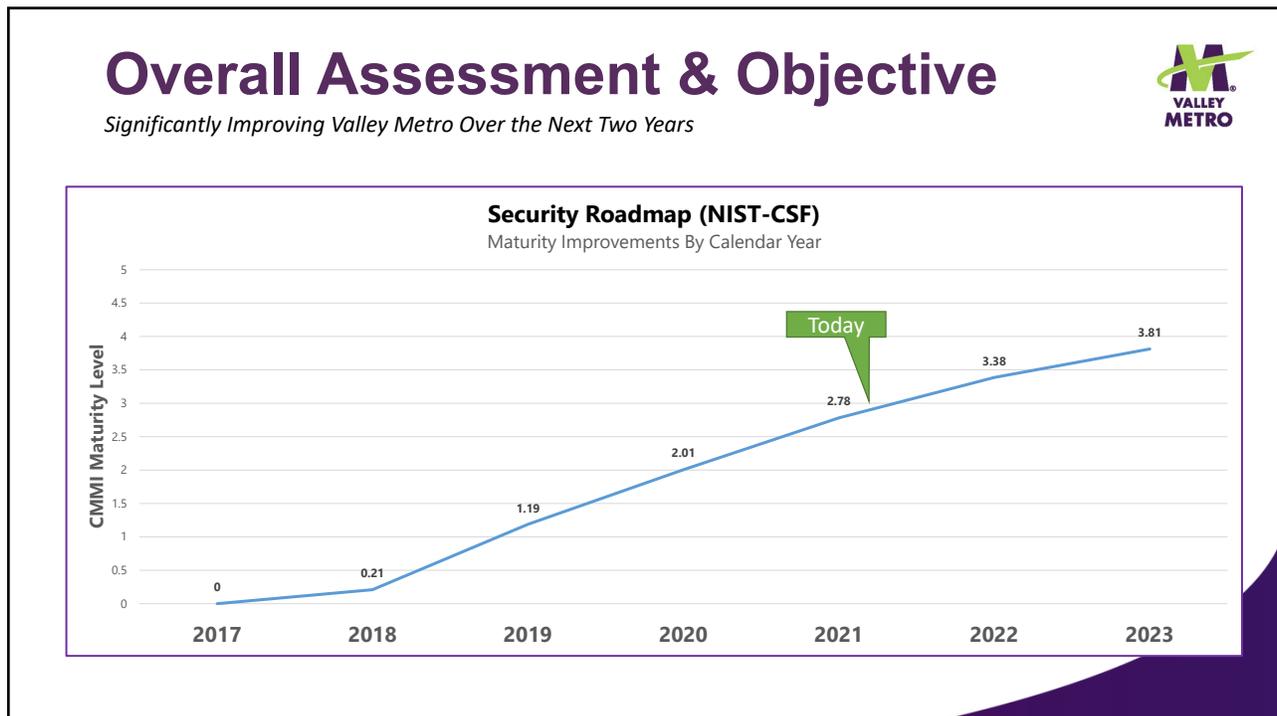
*5 Sets of Controls to Prevent Attacks At All Levels*



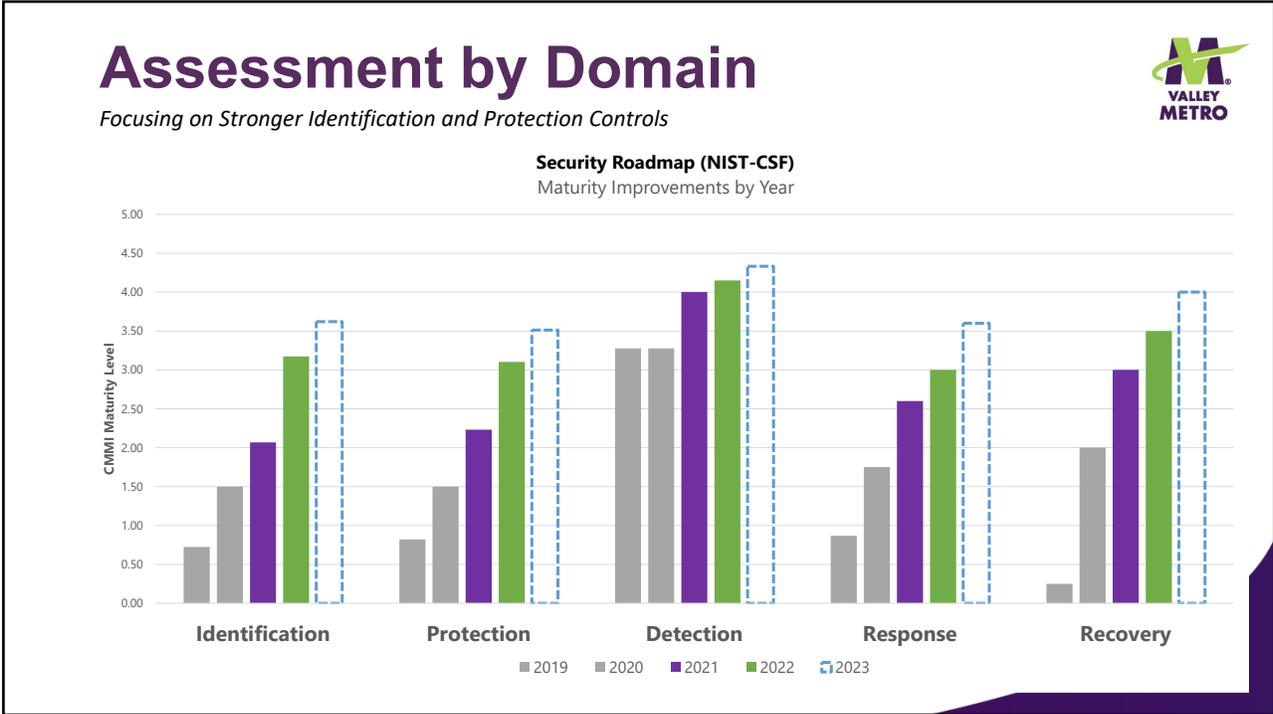
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# Next Steps

*Focusing on Stronger Identification and Protection Controls*



**Valley Metro's IS roadmap plans improvements over 2 years but will be **annually reviewed and continuously improved****

**The next 12 months will focus in improving **Identification and Protection**:**

- **OCTAVE Risk Assessment** – uses a national model to ID risks and mitigate them
- **3<sup>rd</sup> Party Penetration Test** – will identify vulnerabilities for proactive mitigation.
- **IS Program Reassessment** – will identify progress and gaps to update the plan

**Security Roadmap (NIST-CSF)**  
Maturity Improvements by Year

Domain	2019	2020	2021	2022	2023 (Target)
Identification	0.75	1.5	2.1	3.2	3.6
Protection	0.8	1.5	2.2	3.1	3.5
Detection	3.3	3.3	4.0	4.2	4.4
Response	0.85	1.75	2.6	3.0	3.6
Recovery	0.2	2.0	3.0	3.5	4.0

16



**Questions?**



# Information Summary

**DATE**

March 31, 2021

**AGENDA ITEM 6****SUBJECT**

Status of Valley Metro's COVID-19 Response Plan Phase II

**PURPOSE**

To provide an informational update on the status and current activities to continue the agency's response to the COVID-19 pandemic.

**RECOMMENDATION**

This item is presented for information only.

**BACKGROUND | DISCUSSION | CONSIDERATION**

This is a follow-up to the October 2020 Joint Board memo and presentation on the activities to support the agency's response to the COVID-19 pandemic. Previously, Valley Metro and the region stepped into action in March 2020 to respond to the COVID-19 pandemic and immediately prioritized the health and safety of staff and riders. Due to the ongoing increase in COVID-19 cases and impacts to public transit throughout 2020, Phase II was developed as a way to proactively keep riders safe, informed and encouraged to return to the system when they are ready. Responses from a June 2020 rider and recent rider survey also allowed us to better address their expectations and understand their most important concerns.

Phase I of this plan occurred between March – summer 2020 and was highly responsive to the changing dynamics associated with the pandemic. Those tactics included enhanced cleaning protocols, rear door boarding on buses, limited service reductions, bus and paratransit boarding limits, installation of temporary bus operator barriers, mandated face coverings and completion of a rider survey.

In November, Phase II was initiated, which continues due to the pandemic's ongoing presence in our communities and across the country. Many of the Phase II tactics implemented to date center on the enhanced presence of cleaners and cleaning along the system, storytelling of safety protocols, a mandate to wear face coverings, rider communications, as well as other health and safety measures. This update will share the progress in the plan's seven key areas: storytelling of what we are doing to keep riders and frontline workers safe, public outreach, enhanced rider communications, service restoration, additional cleaning personnel, refresh of COVID-19 related signage and measurements of effectiveness. Staff will share what's been accomplished, what's ongoing and how we're evaluating effectiveness and next steps.



Rider and community perception of the efforts will be tracked, once again, with another rider survey planned for spring 2021. The original date of the second survey shifted from January 2021 to spring 2021, as overall recovery from the pandemic, locally and nationally, had not progressed as planned, or hoped. The spring 2021 survey timing is hopefully more aligned with overall recovery and greater vaccine distribution as well as getting feedback from riders on the efforts thus far. Survey results will also be used to help staff determine any next steps in the agency's response into FY22. This presentation will also share the proactive discussions occurring around the return to front door boarding and customer education timed with all operator barriers being installed in mid-summer 2021.

### **COST AND BUDGET**

In October 2020, staff provided an informational item to the Boards to recap the agency and the region's response to COVID-19 since March 2020 and the plans for Phase II beginning in November 2020. Expenditures for Phase II were estimated at \$421,000 and allocated within the adopted FY21 budget, with eligible operating expenses, such as enhancing cleaning, being supported by CARES Act funding.

Through January 2021, Phase II expenses have totaled \$293,663 supporting the marketing/storytelling and enhanced "visible" cleaning efforts at bus and rail facilities and on vehicles.

As a community, we continue to be in the midst of pandemic recovery, and as such, the proactive efforts in the agency's response plan are planned to continue through June 30, 2020 at an estimated cost of \$723,564. All costs are contained within the FY21 adopted budget, with certain budget areas being reallocated/reprioritized to support these efforts and CARES Act funds will continue to be utilized for eligible operating expenses.

### **COMMITTEE ACTION**

RTAG: March 16, 2021 for information

TMC/RMC: April 7, 2021 for information

Boards of Directors: April 22, 2021 for information

### **CONTACTS**

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Communications Manager

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[stierney@valleymetro.org](mailto:stierney@valleymetro.org)

Moriah Bedient

Marketing Manager

602-523-6073

[mbedient@valleymetro.org](mailto:mbedient@valleymetro.org)



These contacts represent a larger, multi-departmental response planning effort, involving Operations & Maintenance, Safety & Security, Planning, Public Art and Communications & Strategic Initiatives and working in close coordination with City of Phoenix Public Transit Department.

**ATTACHMENT**

Valley Metro COVID-19 Phase II Response Plan Update

# Valley Metro COVID-19

## Phase II Response Plan Update



1

## Plan Objective



**To react and be proactive whenever possible to the COVID-19 pandemic with policies and actions that:**

- protect the health and safety of staff and riders
- preserve service to the greatest degree possible
- enhance communication with our riders, and
- continue to highlight public transit as an essential valuable service operated for and by essential workers

2

2



## Phase I: Spring & Summer 2020

- Enhanced cleaning protocols
- Moved to rear-door boarding only
- Reduced limited service on local bus, Express/RAPID, light rail and circulators
- Enacted bus boarding limits
- Installed bus operator barriers & hand sanitizer stations
- Limited paratransit vehicle capacity
- Mandated face coverings
- Completed the ridership recovery survey

3

3

## Phase II Update



4



## Purpose

With data from rider survey (June 2020), pivoted from being reactive to more proactive to address concerns by sharing what protocols have been put in place to address and help recover from the COVID-19 pandemic.

Expedite additional measures to continue to address enhanced safety on the system.

5

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## Cross-divisional Planning Team

Armed with the rider survey data, began brainstorming response plan strategies with a team representing:

- Operations
- Maintenance
- Customer Service
- Safety & Security
- Service Planning
- Marketing
- Communications
- Commute Solutions
- Public Art
- And in close coordination with Phoenix Public Transit

6

6



# 7 Key Areas in Phase II

- Storytelling
- Public Outreach
- Enhanced Rider Communications
- Service Restoration
- Adding Cleaning Personnel
- Refresh COVID-related Signage
- Measure Effectiveness



7

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# Storytelling

## Paid social posts: Facebook & Instagram, Dec. – Feb.

- Mix of static and video
- 2.4M impressions
- 0.81% click thru rate
- Drove 5,341 new users to VM website



8

8



9



## Storytelling

**Additional social posts  
Dec. – Feb.**

- Mask mandate
- Additional cleaning on-board & along system
- Social distancing
- Frontline Fridays

**Resulting in**

- 96,438 impressions
- 1,531 clicks
- 3,035 engagements

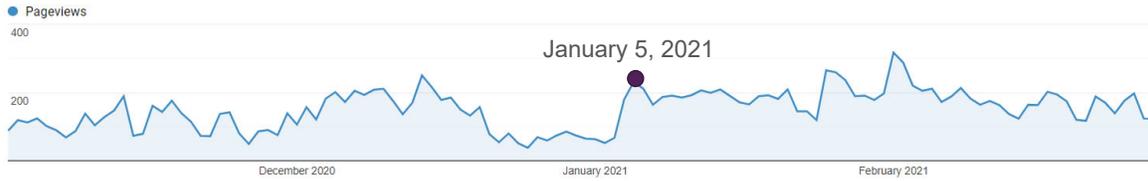


Valley Metro @valleymetro · Jan 22  
 For #frontlinefriday, meet Jake, a road supervisor out of our Mesa bus yard. Jake has worked with Valley Metro for over 10 years & in transportation for a few decades 🧡🧡🧡 We appreciate the dedication from Jake & all bus operators during the pandemic 💙

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# Storytelling



## valleymetro.org/covid19 Dec. – Feb.

- 00:02:16 average time on page
- 14,798 page views
- Uptick in page views after the ad pause during the holidays
- Most visited link: Enhanced cleaning protocols



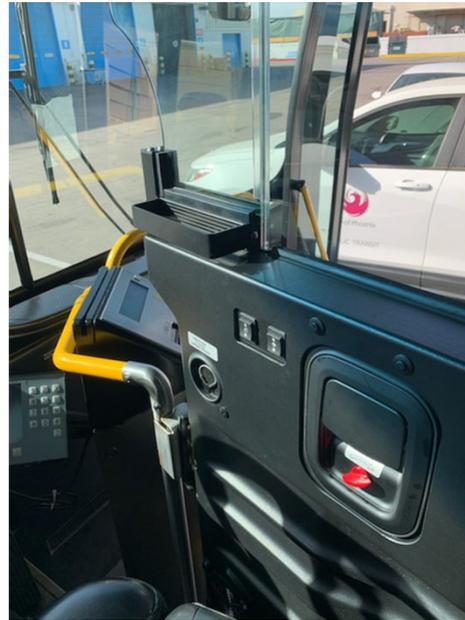
# Public Outreach



- 34,200 face coverings distributed since June 2020
- For bus and rail, 92-95% mask compliance rate

## Service Restoration

- **Express bus: Certain trips (July '20)**
- **Phx bus: Early morning weekday & weekend hours (Oct. '20)**
- **Installation of 900 operator barrier doors by mid-2021**



13

13

## "Visible" Cleaning Personnel

- **Five additional cleaners are rotating among bus layover locations and transit centers**



14



## "Visible" Cleaning Personnel



- Eight additional cleaners at rail ends-of-line and along the alignment, split between day and night shifts

15

15



## Appreciation from Our Riders



**Carmen Attarian** Sarah Hochstetler if you are one of our drivers of the bus thank you for all you do. Drivers are distant from passengers, busses are clean. I have ridden the bus several times everone had a masks on. Thank you for your efforts to keep people safer.

W... See More

Like · Reply · Message · 2w

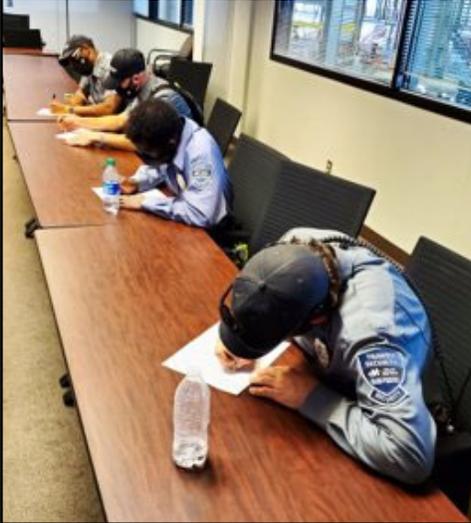
**"This guy is out here is cleaning the trains all the time. Last week I lost my phone and he helped me find it. Today, we were talking and he found out I didn't have any money, he bought me a pass for a week. I love this guy. He is very generous and genuine!" –Rider via Customer Service line**

16

16



## Frontline Staff Roundtables



### 68 staff from VM & 6 contractors

- Bus operators and supervisors
- Light rail operators and supervisors
- Bus and rail cleaners
- Light rail security
- Maintenance of Way field staff
- Customer Experience Coordinators
- Customer Service

17

17



## Frontline Survey Results

**88%**  
of frontline  
workers feel  
safe in their jobs

- They feel safe when their workspace is clean
- They believe riders feel safer with added cleaning
- Social distancing & wearing masks is paramount
- Attract riders by:
  - offering free days or passes
  - enforcing mask mandates
  - distancing on board

18

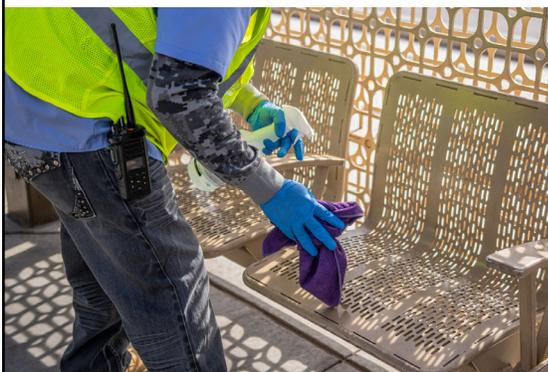
18

# Beyond Phase II



19

## Phase IIB



- **Continuation of additional bus and rail cleaning personnel**
  - Transit Centers and bus layover location
  - Rail ends-of-line and along alignment
- **Maintain fogging and disinfecting procedures**

20

20

## Phase IIB



### • Return to front door boarding educational campaign

- Anticipate return to front door boarding when operator barriers are installed (mid-summer)
- Create rider awareness in advance of date to welcome back and remind of fare payment
- Currently in planning on details of educational campaign



21

21

## Phase IIB

- Update rider information with artist-designed signage to increase awareness and visibility
- Continue social media efforts to inform the public
- Continue safe, socially-distant rider outreach



22



# Phase IIB

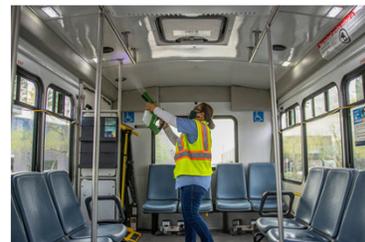
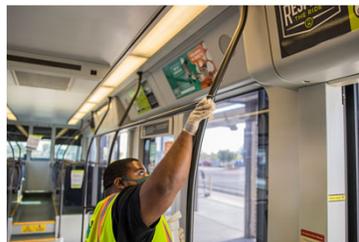


- Advance real-time features in agency mobile app (July)
- Marketing & PR campaign for new rider communications tool
  - Create awareness of the new mobile app and its features
  - Share benefits of mobile app



# Follow-up Rider Survey

- To follow-up from June 2020 rider survey:
  - Understand current perceptions
  - Effectiveness of health & safety measures
  - Help determine any next steps into FY22



# Phase II and IIB FY21 Budget



Activity	Service/Description	Anticipated Cost Nov. 2020-Jan. 2021*	Actual Expenditures Through Jan. 2021	Anticipated Cost Feb.-June 2021	Source
Marketing	Storytelling, signage, front-door education	\$75,000	\$48,462	\$75,000	FY21 budget **
Enhanced Rider Comm Tool	Consideration of third-party apps	\$31,000	-0-	-0-	FY21 budget - within FCS/Vix budget
Operations	More visible bus & rail cleaning	\$305,000	\$245,201	\$633,564	CARES Act
Research	Follow-up to show change/results	\$10,000	-0-	\$15,000	FY21 budget **
<b>Total</b>		<b>\$421,000</b>	<b>\$293,663</b>	<b>\$723,564</b>	

\* As forecasted in the October 2020 Board presentation.  
 \*\* Reallocated FY21 budget to prioritize these response plan activities.

# Questions?





# Information Summary

**DATE**

March 31, 2021

**AGENDA ITEM 7****SUBJECT**

Travel, Expenditures and Solicitations

**PURPOSE**

The monthly travel, expenditures and solicitations are presented for information.

Non-essential travel has been suspended at this time.

**BACKGROUND | DISCUSSION | CONSIDERATION**

None

**COST AND BUDGET**

None

**COMMITTEE PROCESS**

None

**RECOMMENDATION**

This item is presented for information only.

**CONTACT**

Paul Hodgins

Chief Financial Officer

602-262-7433

[phodgins@valleymetro.org](mailto:phodgins@valleymetro.org)

**ATTACHMENTS**

Valley Metro Travel Report

Valley Metro RPTA and Valley Metro Rail Monthly Accounts Payable over \$25,000

Active Requests for Proposals, Qualifications and Invitations for Bids

**Valley Metro Regional Public Transportation Authority**  
**Monthly AP Payments over \$25,000**  
**February 21, 2020 to March 20, 2021**

<b>Document Number</b>	<b>Name</b>	<b>Transaction Description</b>	<b>Effective Date</b>	<b>Transaction Amount</b>
50377	City of Phoenix	Feb. 21 FR Bus Svc, DAR, FR Svc Op Supp	3/5/2021	1,077,317.43
50393	Transdev Services, Inc	Jan. 2021 Regional Paratransit Services	3/5/2021	992,833.54
040478	ADP, LLC	PPE 2/21/21 Wages Payable-Reverse Wire	2/26/2021	657,995.05
50396	ADP, LLC	PPE 3/7/21 Wages Payable-Reverse Wire	3/12/2021	634,099.67
50433	Cigna Health and Life Insurance Company	March 2021 Health Ins Prem and Adj, Motivate me Reward Card Billing	3/19/2021	398,808.33
50434	Complete Coach Works	42 Barriers Installed in Buses 2/1-2/13/21	3/19/2021	271,093.62
040478	ADP, LLC	PPE 2-21-21 Federal, State, SS/Med EE/ER Tax - ACH	2/26/2021	266,681.89
50396	ADP, LLC	PPE 3/7/21 Federal, State, SS/Med EE/ER Tax- ACH	3/12/2021	252,486.70
040480	American Logistics Company, LLC	Dec. 2020 ALC/RideChoice Program	2/26/2021	217,400.29
50379	Denovo Ventures, LLC	Milestone #4 Completed	3/5/2021	176,890.00
040510	Westmatic Corporation	Jan. 2021 Bus Wash Replacement - Equip Installation	2/26/2021	125,388.00
040483	ASRS	PPE 2/21/21 ASRS Contributions Employee	2/26/2021	122,498.48
040483	ASRS	PPE 2/21/21 ASRS Contributions Employer	2/26/2021	122,498.48
50399	ASRS	PPE 3/7/21 ASRS Contributions Employee	3/12/2021	120,640.88
50399	ASRS	PPE 3/7/21 ASRS Contributions Employer	3/12/2021	120,640.88
50385	Medical Transportation Management, Inc.	Jan. 2021 Eligibility Certification and Travel Training Costs	3/5/2021	96,358.61
50378	Complete Coach Works	Instillation of 12 Driver Barriers on Buses	3/5/2021	77,455.32
040503	Plante & Moran, PLLC	Dec. 2020 & Jan. 2021 Consultant Services - ERP System	2/26/2021	75,733.75
040510	Westmatic Corporation	Jan. 2021 Bus Wash Replacment - Material Purchase	2/26/2021	64,844.67
50419	Second Generation, Inc, dba Ajo Transportation	Feb. 2021 Rural Connector Route	3/12/2021	63,426.27
040510	Westmatic Corporation	Jan. 2021 Bus Wash Replacement - Delivery and Sales Tax	2/26/2021	61,378.20
R20210228W002	City of Mesa	February 2021 Utilities	2/28/2021	57,632.10
040487	CopperPoint Insurance Company	March 2021 Mobility Center and Call Center Rents	2/26/2021	55,018.35
50403	Dye Management Group, Inc.	Jan. 2021 Transit Asset Management Consultant	3/12/2021	46,322.50
50417	QCM Technologies, Inc.	Feb. 2021 Consulting Install/Implementation	3/12/2021	42,721.43
20210315W014	Wells Fargo Bank	February 2021 Credit Card Transactions	3/15/2021	41,939.32
040493	Govig & Associates, Inc.	Placement Fee	2/26/2021	36,250.00
50412	Mosaic451, LLC	Jan. 2021 Ongoing Managed Security Services	3/12/2021	34,600.00
50378	Complete Coach Works	Installation of 5 Driver Barriers on Buses	3/5/2021	32,324.49
040494	Guidesoft Inc.	Onsite Desktop Support Weeks Ending 1/17 and 1/24/21	2/26/2021	30,844.12
50404	Eno Transportation Foundation	2021 Eno Membership-Group Renewal	3/12/2021	29,500.00
50434	Complete Coach Works	4 Driver Barriers Installed in Buses	3/19/2021	25,818.44
				<b>6,429,440.81</b>

**Valley Metro Rail, Inc.**  
**Monthly AP Payments over \$25,000**  
**February 21, 2021 to March 20, 2021**

<b>Document Number</b>	<b>Name</b>	<b>Transaction Description</b>	<b>Effective Date</b>	<b>Transaction Amount</b>
040673	Kiewit Infrastructure West Co.	Dec 2020 S Central Extension	3/19/2021	12,442,517.70
040587	Hensel Phelps Construction Co	Jan 2021 OMC Expansion Project	3/5/2021	3,987,953.00
040674	Kiewit-McCarthy, a Joint Venture (NWE2)	July-Sept 2020 NW Extension 2 Project	3/19/2021	3,823,739.68
040627	Hill International, Inc.	Dec 2020 Program Management	3/12/2021	1,082,939.82
040607	Alternate Concepts Inc.	Jan 2021 Transportation Services	3/12/2021	920,355.52
040626	HDR Engineering, Inc.	Dec 2020 Planning and Community Relations	3/12/2021	780,989.50
040556	Salt River Project	NW Extension Phase 2 Utilities	2/26/2021	666,403.37
040572	Allied Universal Security Services	Dec 2020 Fare Inspection and Security Services	3/5/2021	643,502.70
040642	Southwest Gas	S Central Extension 3rd Party Utilities	3/12/2021	587,065.44
040672	Jacobs Engineering	Dec 2020 NW Extension 2 Project	3/19/2021	435,001.07
040597	Stacy and Witbeck, Inc.	Dec 2020 Tempe Streetcare Project	3/5/2021	397,993.33
040574	Arizona Public Service Company	S Central Extension Non Prior Right Utilities	3/5/2021	318,220.14
040640	Salt River Project	NW Extension Phase 2 Utilities	3/12/2021	290,602.68
040639	Salt River Project	NW Extension Phase 2 Utilities	3/12/2021	269,249.19
040618	DMS - Facility Services, Inc.	Jan 2021 Facilities and LRV Cleaning Services	3/12/2021	215,746.58
040569	AECOM Technical Services, Inc.	Dec 2020 S Cental Extension Project	3/5/2021	167,121.84
040512	101 North First Ave LLC	March 2021 101 Building Rent	2/26/2021	165,832.12
040553	Salt River Project	NW Extension 2 Utilities	2/26/2021	164,830.21
V20210228W	APS	February 2021 Utilities	2/28/2021	143,328.51
040618	DMS - Facility Services, Inc.	Jan 2021Facilities and LRV Disinfection amd PPE	3/12/2021	140,506.91
040652	ARCADIS	Dec 2020 Jan 2021 Consulting Support services	3/19/2021	134,825.87
040547	PGH Wong Engineering, Inc.	Dec 2020 S Central Extension Systems Design	2/26/2021	108,005.41
040547	PGH Wong Engineering, Inc.	Dec 2020 Northwest Extension 2	2/26/2021	94,895.84
040558	SDB Contracting Services	Jan 2021 Construction Services - JOC	2/26/2021	88,941.70
040552	Salt River Project	S Central Extension Non Prior Right Utilities	2/26/2021	87,933.04
040629	Knorr Brake Corporation (KBC)	LRV Friction Brake Overhaul	3/12/2021	84,653.94
040559	Stacy and Witbeck, Inc.	Ballast Track at Fishhook - OMC	2/26/2021	82,250.00
040655	B & C Transit, Inc.	Year 3 SCADA Maintenance	3/19/2021	78,155.00
V20210228W021	SRP	February 2021 Utilities	2/28/2021	73,755.31
040618	DMS - Facility Services, Inc.	Jan 2021 Facility Maintenance Services	3/12/2021	68,766.47
040613	Brookville Equipment Corp	Tempe SC Acquisition Program Milestone B	3/12/2021	60,627.84

**Valley Metro Rail, Inc.**  
**Monthly AP Payments over \$25,000**  
**February 21, 2021 to March 20, 2021**

<b>Document Number</b>	<b>Name</b>	<b>Transaction Description</b>	<b>Effective Date</b>	<b>Transaction Amount</b>
040636	Penn Machine Company, LLC	Gearbox/Axle Overhaul	3/12/2021	51,930.00
040617	Dellner Inc.	LRV Coupler Overhaul	3/12/2021	45,096.00
040668	Hye Tech Network & Security Solutions LLC	Network Equipment	3/19/2021	44,437.07
040600	URW, LLC	Jan 2021 Landscape Maintenance Services	3/5/2021	43,081.79
040663	Dellner Inc.	LRV Coupler Overhaul	3/19/2021	42,996.00
040524	City of Phoenix	Jan 2021 Fare Handling Fee	2/26/2021	38,217.00
040555	Salt River Project	T3020204, T3149942 TPSS and Service	2/26/2021	34,464.44
040544	National Corrosion	Corrosion Control Services	2/26/2021	33,250.00
040547	PGH Wong Engineering, Inc.	Dec 2020 LRV & OMC Testing	2/26/2021	31,712.97
040559	Stacy and Witbeck, Inc.	Tempe SC CAB Disbursement #8	2/26/2021	30,000.00
040527	Dell Marketing L.P.	Servers and Computer Hardware	2/26/2021	29,667.48
040608	Award Winning Restorations	LRV 123 Change Paint Scheme	3/12/2021	28,636.35
040616	City of Phoenix	Dec 2020 Regional Wireless Billing	3/12/2021	27,623.32
040686	TransTech of South Carolina Inc.	Single Arm Pantograph	3/19/2021	27,551.00
040657	Builders Guild, Inc.	Jan 2021 Stray Current Testing	3/19/2021	25,369.03
				<u>29,140,742.18</u>



## Procurement Report for April Board Month

### RECENTLY COMPLETED PROCUREMENTS

Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Barb H	VMR	IFB	Portable Lift System	No	January 2021	February 2021	N/A	\$146,869.68	1 year	Initiating Documents
Sheila H	VMR	RFP	Small Business Financial Assistance Program	No	December, 2020	December, 2020	January, 2021	\$145.00	1 year + 3 year	Executed
Ed N	VMR	COOP	Aconex contract & introduce archiving	Yes	July 2020	August 2020	September 2020	\$1,136,423.00	3 year + 2 options	Executed

### ACTIVE PROCUREMENTS

Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Shelia H	VMR	Sole Source	CPU Power Conversion	No	March, 2021	N/A	May, 2021	\$260.00	1 year	Initiating Documents
Barb H/Kianie K	VMR	Sole Source	OMC Parts Inventory	No	February 2021	March 2021	May 2021	TBD	5 years	Solicitation Issued
Barb H	VMR	IFB	Uninterruptible Power Supply (UPS) Replacements	No	November 2020	December 2020	March 2021	\$196,000.00	2 years	Pending Board Approval
Barb H	VMR	IFB	Traction Power Substation Batteries	No	December 2020	January 2021	March 2021	\$336,856.00	4 years	Pending Board Approval
Barb H	VMR	Sole Source	LRV Hoist Nut Replacement	No	December 2020	January 2021	March 2021	\$259,094.00	2 years	Pending Board Approval
Ed N	Joint	RFP	Retail Sales Networks for Fare Collection and Customer Service	No	February 2020	May 2020	March 2021	\$34,383,000.00	5 years + 3 yr + 2 yr	Pending Board Approval
Rick W	RPTA	RFP	CNG Facility Maintenance	No	November 2020	January 2021	April 2021	\$2,300,000.00	5 year + 2 options	Pending Board Approval
Rick W	Joint	RFP	Fare Inspection and Security Services	No	October 2020	December 2020	April 2021	\$56,113,000.00	3 year + 2 options	Pending Board Approval
Christian J	Joint	COOP	Telecom and Networking equipment - WWT	No	N/A	N/A	March 2021	\$304,000.00	5 years	Pending Board Approval
Christian J	Joint	COOP	Business Intelligence Software Subscription - CDW-G	No	N/A	N/A	March 2021	\$316,800.00	3 years	Pending Board Approval
Christian J	Joint	COOP	Replacement Vehicles for Paratransit Svcs. Qty:26	Yes	N/A	N/A	March 2021	\$1,755,286.00	1 year	Pending Board Approval
Christian J	Joint	COOP	IT Security Operations Center Services (SOCssS)	No	N/A	N/A	March 2021	\$1,281,700.00	5 years	Pending Board Approval
Kianie K	Joint	COOP	Accountant Consulting Services	No	N/A	N/A	March 2021	\$112,400.00	2 years	Pending Board Approval

### FUTURE PROCUREMENTS

Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Barb H	VMR	Sole Source	SCV Managed Inventory Program	No	N/A	N/A	TBD	TBD	5 years	SOW Development
Barb H	VMR	Sole Source	Delta Electric Traction Motor Repair	No	March 2021	April 2021	June 2021	TBD	5 years	SOW Development
Barb H/Sheila H	VMR	IFB	OMC Midlife Flooring Replacement	No	April 2021	May 2021	August 2021	TBD	TBD	SOW Development
Kianie K	Joint	RFP	Printing Services	No	April 2021	May 2021	August 2021	TBD	3 year + 2 options	SOW Development
Sheila H	VMR	TBD	Rail Testing	TBD	TBD	TBD	TBD	TBD	TBD	SOW Development
Susanna	Joint	RFP	Regional ADA Paratransit Services Operations & Maintenance	Yes	July 2021	TBD	July 2022	TBD	TBD	SOW Development
Susanna	Joint	RFP	Centralized Call Center for Regional ADA Paratransit Services & RideChoice	TBD	July 2021	TBD	July 2022	TBD	TBD	SOW Development

IFB - Invitation For Bids  
RFP - Request for Proposals  
RFQ - Request for Qualifications  
COOP - Cooperative Contract  
TBD - To Be Determined



# Information Summary

**DATE**

March 31, 2021

**AGENDA ITEM 8****SUBJECT**

Future Agenda Items Request and Report on Current Events

**PURPOSE**

Chairs Strunk and Brady will request future agenda items from members, and members may provide a report on current events.

**COST AND BUDGET**

None

**RECOMMENDATION**

This item is presented for information only.

**BACKGROUND/DISCUSSION/CONSIDERATION**

None

**COMMITTEE PROCESS**

None

**CONTACT**

Scott Smith  
Chief Executive Officer  
602-262-7433  
[ssmith@valleymetro.org](mailto:ssmith@valleymetro.org)

**ATTACHMENT**

None.

**Pending Items Request**

Item Requested	Date Requested	Planned Follow-up Date



# Agenda

March 31, 2021

## Transit Management Committee

Wednesday, April 7, 2021

Webex/Phone

11:00 a.m.

- |  | <u>Action Recommended</u> |
|--|---------------------------|
| 1. <u>Public Comment</u>   | 1. For Information        |
| <p>Public comment is being taken in written format and will be entered into the official minutes of the meeting.</p> |                           |
| 2. <u>Minutes</u>  | 2. For action             |
| <p>Minutes from the March 3, 2021 TMC meeting are presented for approval.</p>  |                           |

### CONSENT AGENDA

- |   |                |
|---|----------------|
| 3A. <u>Contract Award for Compressed Natural Gas (CNG) Facility Maintenance</u> | 3A. For action |
|---|----------------|

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to execute a contract with Clean Energy Fuels Corporation to provide CNG facility maintenance at the Mesa Bus Operations and Maintenance Facility effective July 1, 2021 for a total term of 7 years (5-year base contract plus one two-year renewal option). For the total term of the contract, the award amount is \$1,611,200.

- |   |                |
|---|----------------|
| 3B. <u>Purchase of Diesel and Unleaded Fuel</u> | 3B. For action |
|---|----------------|

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to execute a cooperative agreement purchase order with Senergy Petroleum LLC under Arizona State Contract for diesel and unleaded fuel for a not-to-exceed amount of \$13,770,000 over a five-year period.



## REGULAR AGENDA

4. Proposed October 2021 Service Changes 4. For information

Staff will provide an update on the proposed October 2021 transit service changes and community outreach plan.

5. Valley Metro RPTA Fixed Route Bus Advertising 5. For information and discussion

Staff will provide an informational update on the placement of advertising on RPTA-operated buses, focusing on the history, opportunities and challenges.

6. Future Agenda Items Request and Report on Current Events 6. For information

Chair Strunk will request future agenda items from members, and members may provide a report on current events.

7. Next Meeting 7. For information

The next TMC meeting is scheduled for **Wednesday, May 5, 2021 at 11:00 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at [www.valleymetro.org](http://www.valleymetro.org)



# Information Summary

**DATE**

March 31, 2021

**AGENDA ITEM 1****SUBJECT**

Public Comment

**PURPOSE**

Public comment is being taken in written format and will be entered into the official minutes of the meeting.

**COST AND BUDGET**

None

**RECOMMENDATION**

This item is presented for information.

**BACKGROUND | DISCUSSION | CONSIDERATION**

None

**COMMITTEE PROCESS**

None

**CONTACT**

Scott Smith

Chief Executive Officer

602-262-7433

[ssmith@valleymetro.org](mailto:ssmith@valleymetro.org)

**ATTACHMENT**

None



# Minutes

March 31, 2021

AGENDA ITEM 2

## Transit Management Committee

Wednesday, March 3, 2021

Via Webex/Phone

11:00 a.m.

### Transit Management Committee Participants

Erik Strunk, City of Peoria, **Chair** (phone)  
Ed Zuercher, City of Phoenix, **Vice Chair** (phone)  
Gina Montes, City of Avondale (phone)  
Roger Klingler, City of Buckeye (phone)  
Josh Wright, City of Chandler (phone)  
David Trimble for Grady Miller, Town of Fountain Hills (phone)  
Mary Goodman, Town of Gilbert (phone)  
Kevin Phelps, City of Glendale (phone)  
Julie Arendall, City of Goodyear (phone)  
Reed Kempton, Maricopa County (phone)  
Chris Brady, City of Mesa (phone)  
Bruce Gardner, Town of Queen Creek (phone)  
Ratna Korepella for Mark Melnychenko, City of Scottsdale (phone)  
Mike Gent, City of Surprise (phone)  
Steven Methvin, City of Tempe (phone)

### Members Not Present

Crystal Dyches, City of El Mirage  
Aubree Perry, ADOT  
City of Tolleson

Chair Strunk called the meeting to order at 11:59 a.m.

#### 1. Public Comment

*Written public comment submitted.*

This is for the Management Committee of the Transit and my name is William Charles "Blu" Crowley, III.

On this one, it's specific to the Valley Metro fiscal year 2000 preliminary and operating budget. As I have stated before, you will not again see (indiscernible) in April, you are supposed to be getting some stuff around Wickenburg that route has never been (indiscernible) and done to where it's logistically positive as in you start in Wickenburg



and bringing it to Surprise. (Indiscernible) also up in that region so the accessibility is such and we are not doubling over on negativity.

I'm (indiscernible) the document, the Regional Transit Plan Projects and Services Supported by Regional Public Transit Funds, 2026. Some of the routes on there for 2019 and 2020 were never addressed or dealt with. When I see the amount of expansion going to the light rail and seeing the amount of funding and how it is supposed to be divided, I don't understand why you don't have the money to do it. And I understand that we have been in recesses and such, but with the way it is supposed to be divided up, operating and capital for the bus should have the same status as the rail, but as in with the document that I got, it now has Valley Metro Rail and then Valley Metro in the logo. When did that become the way? And does that mean that you as the Transit Committee are just a second class or stepchild in this? It's one of the reasons I believe that we should bifurcate the two entities and that way we don't have to worry about which master is being served and dealt with.

Also, I would like some of it to be dealt with to improve what we do have on the rail side which would be technology and start considering making it a (indiscernible) as a way of improving its dimensions.

## 2. Minutes

Chair Strunk said minutes from January 6, 2021, meeting presented for approval. Are there any corrections on questions regarding the minutes?

**IT WAS MOVED BY ROGER KLINGLER, SECONDED BY DAVID TRIMBLE AND UNANIMOUSLY CARRIED TO APPROVE THE JANUARY 6, 2021 TMC MINUTES.**

## 3. Consent Agenda

Chair Strunk said these are items that are considered for action. If any of you have any questions or observations, feel free to indicate the item you would like pulled for further discussion. Is there anything you would like pulled for presentation or discussion by staff?

**IT WAS MOVED BY ED ZUERCHER, SECOND BY JULIE ARENDALL AND UNANIMOUSLY CARRIED TO FORWARD THE CONSENT AGENDA TO THE BOARD OF DIRECTORS FOR APPROVAL.**

## 4. Valley Metro RPTA Fiscal Year 2022 (FY22) Preliminary Operating and Capital Budget

Chair Strunk said I think it's hard to believe we are all at this point in the year where we are respectively working on our city budgets and it looks like Valley Metro is doing the same thing. And I know, Scott, you have a presentation along with Paul. And just kind



of reading through the materials it seems like there is a few options in there and I know you have a very complete presentation and story line here so I'm going to turn it over to you and look forward to receiving that information. So, Mr. Smith, if you will.

Mr. Smith said thank you, thank you Eric and I'm going to turn it over to Paul with just a brief introduction. I think you all know that we are dealing in certainly unique times. I guess, the old, adage that may you all be born in interesting times certainly applies to all of us right now. As Paul goes through the budget, I just -- and as we do our budget, I would just like to maybe point out one thing that is -- that is unique and is a challenge for us here at Valley Metro. And that is, the way that our system is paid for in many ways starts at your level. We provide services that the city's request and I think if you look at about 67 percent of our services actually are paid for by cities.

We have -- and in our budget, we have a combination of really four sources or three sources in the Valley Metro budget. And that would be our regional public transportation fund or our Prop 400 moneys, the second would be our fare revenue, and the third would be, right now, which is a new introduction because we generally don't get federal funds, but we certainly now have had two specific events that are transit specific, CARES Act and then CRRSAA and then it looks like we're going to have a third one.

How all those things have interacted and what the future holds as it relates to your share which is the sales taxes that you collect in the individual cities and whether you fund us through a dedicated tax or fund us through your general fund, those all things go in to matter and Paul to his credit is trying to balance the interests of everybody and come up with a budget that he believes, from his professional experience, most accurately reflects where we are going to be. So, with that -- so I just say, as you listen to him, keep that in mind that all those different sources and some of them are certainly not unique to us. You deal with the same issues. Some of them are such as how we applied the federal money, the CARES money and the CRRSAA money which is a little bit different. So, as Paul goes through his presentation, I'd just ask you to keep that in mind and ask any questions you might have to help us prepare for the Board discussion.

So, Paul, I will turn it over to you and you can take it from there.

Mr. Hodgins provided a presentation which included the following:

- ✓ Budget Development Progress
- ✓ PTF Forecasts
- ✓ FY21 PTF Revenues
- ✓ FY21 PTF Trend
- ✓ PTF Forecasts
- ✓ Service Contingency Plans
- ✓ FY21 Local Revenue Trends

- ✓ Key Assumptions and Feedback
- ✓ Base Services Levels
- ✓ Baseline: RPTA Operations (3 slides)
- ✓ Uses of Funds: Operating and Capital
- ✓ Sources of Funds: Operating & Capital
- ✓ Uses of Funds: Operating
- ✓ Sources of Funds: Capital
- ✓ Pass-thru Funds: Uses
- ✓ Pass-thru Funds: Sources
- ✓ RPTA/Shared Staff Changes from FY20 to FY22
- ✓ Recap of Important Dates

Chair Strunk said thank you Paul, I will entertain questions from the Committee. Nice presentation.

Mr. Methvin said thank you. Hey, Paul, thank you for the presentation it was very informative and helpful to me. Would you mind going back to slide 49? So, I just -- I have one question and one comment and I will do the comment first and I believe you have accurately reflected Tempe's situation here. The one piece you didn't have an opportunity to discuss, and it was probably just due to time is that as the costs increase so will that gap between the two. So, our revenues collection is -- well, our costs are increasing at such a pace that our gap is widening and so that's my comment.

My question is, has Valley Metro done any analysis because when I look at the two with the largest green, it's Glendale and Tempe and we are both cities along with Phoenix that have dedicated transit taxes. And I'm just wondering if you have done any analysis that perhaps we are growing and expanding our services at a rate that is just not sustainable for us. And I'm wondering if you have done or you have any comments on that?

Mr. Hodgins said Mr. Methvin, let me speak for the regional funds. The transit life cycle program is our 20-year plan. We update that -- we try to update it annually to ensure that the service and the capital projects included are sustainable at least through the life of Prop 400. We work very closely with the cities through the Service Planning Working Group to try to ensure that we are providing the level of service that the cities feel are sustainable. You know, we don't necessarily look into each city's transit fund to determine whether it's sustainable. We try to work with the cities to figure out what those appropriate service levels are. I don't know if that really answers your question? But you know, we do our best to work with each city given that each city's situation is unique. You know, we do our best to try to address your needs.

Mr. Methvin said sure. No, I appreciate that. I'm just wondering what common factors are out there between Glendale and Tempe that has caused, you know, to have our forecast be, you know, ours is definitely more flat -- Tempe's is definitely more flat than Glendale's, but, you know, as our costs increase that gap will really become so much more prevalent and it sort of, we end up lagging behind the rest of the Valley. And I'm



wondering what options we have, you know, certainly we have been talking with Valley Metro for some time about reducing cost and that's, you know, to help our transit funds stay afloat because we have had to cut \$9.5 billion recently out of our transit fund and, you know, that's not a good position to be in. But it's a unique position to Tempe and I'm just -- I'm -- I hadn't really compared where we are with other Valley cities so this is actually a really interesting chart to me.

Mr. Smith said you have hit on the head I think what is one of the challenges we have going forward as a region. You know, we have done an analysis as to funding sources and service decisions and we find that really we have a system that is in somewhat in conflict. And that is because we talk here at Valley Metro, we do everything through a service planning group through the transit life cycle plan, but in reality, the majority of funding for transit services are not at the Valley Metro or the regional level, they are at the city level. So, in many ways it's driven from below as opposed to above.

As a matter of fact, we went in and did an analysis and there is I think 60 or 76 total bus routes. That's all local routes, express routes and circulators that operate in the Valley. Of those 75, 76 routes, only three are funded completely by -- with regional funds by Valley Metro. There is 27 routes, I believe it is, Paul, if I I'm not wrong, that are mixed funded, a mixture between city funds and regional funds. And there is another 30 plus routes that are funded solely by cities, most of those being the circulators and in Phoenix.

You can see that then the levels of service we provide and oh, by the way, that means, I just it's between 60 and 70 percent of the total transit funding in the Valley comes from cities, not from the region. So, there is somewhat of a cross-pollination because each city, of course, can only buy the transit that they can afford to buy, but every decision they have made since we have so many hybrid-type routes affect their neighboring cities and affect the region. And -- but they really are bottom-up kind of discussions and decisions because the majority of the funding comes from the cities not from Valley Metro. So, we try to balance all that off and let cities know where we are, but we really do have a challenge in accommodating or dealing with the kinds of situations you are talking about where cities are a different, levels, have different desires and we need to really recognize that as we go into these discussions on regional service really is funded for the most part by local cities.

Mr. Methvin said sure. Yeah. The purple bar is, you know, very telling for our city alone, Scott, and that is that -- Mr. Smith said yeah.

Mr. Methvin said -- our sales tax is not keeping up with the level of service and it's not keeping up with the level of cost increase for the region so.

Mr. Smith said well, and this all -- this really plays in as we are talking about Prop 400 extension and this is where I -- and we talked about this before. The expectations about the ability to expand service and fill in gaps really I think jumps ahead of the



game because we really need to have an honest discussion about what the future of funding on an overall basis, the transit system is. Because it -- the system we have now does create the kind of scenarios that is shown very graphically in this graph. And how do we take -- accommodate Tempe's reality with the other desires and needs of neighboring cities in the region as a whole? I don't have an answer for that.

That's really a discussion that I think we need to have as a region and as management staff because it's really staff driven in the sense that we deal with the technical side of things and I can tell you that when we get to the electeds, the desires and the expectations are on a different level. We really do have a challenge in defining our regional system going forward.

Mr. Methvin said yeah. I mean, what's so obvious to us and to you, Scott, is that we're not proposing adding any service, yet our costs continue to increase at a rate that we are not going to be able to sustain.

Mr. Smith said well, are we talking about bus costs or rail costs? Because those are also at a very different --

Mr. Methvin said definitely, rail costs are more concerning than bus costs for Tempe. Mr. Smith said yeah. And rail costs a lot of it is based on the fact that rail operations are very different in the sense that you have an expanded system, you are taking on streetcar in Tempe, but also, we have a system that has much more significant state of good repair needs, and the maintenance and other things are a different level for rail operation than they are for bus. Most of bus costs are set in, as Paul mentioned, are set in stone by the contracts we have with our service providers. And they are pretty much based on revenue miles we offer, and we pay for and that's contractual. So, the one way to reduce costs on the bus side really for any level because, as you saw in Paul's presentation, our administrative and other costs are relatively small just like in your cities.

Mr. Methvin said sure.

Mr. Smith said, you know, we're a people business and so the vast majority of our costs are in personnel and real costs related to providing the service and so those are the things, that's where you get into service discussions. But we are not there yet and one thing -- one reason why I believe Paul gave such a detailed explanation is to point out some of these difficult discussions because we recognize that there are some tough choices because oh, things look pretty good, but we do have pockets, as you mentioned, there in Tempe where we have real issues and real concerns, and we have to balance those out.

Mr. Methvin said well, I appreciate you saying that and acknowledging that because the only way we are going to get out of this is if we work together. So, I appreciate that, and I don't want to dominate the conversation here. I see a couple other hands up. Thank



you, Scott. Thank you, Paul.

Chair Strunk said additional questions?

Mr. Zuercher said I think from that last conversation and the previous slide of scenario 1 makes even more sense. There is not a lot of -- there is not a lot of purpose in making improvements before we know the fate of Prop 400. You're simply putting service in place that may not continue or maybe not the service you want to continue. So, I think that's an important piece.

The other thing I would say is I would we should probably consider slowing down a number of our planning projects that we have got going on. I know in many cases cities are funding their own planning, which is fine, but in terms of regional, making big regional plans right now, it doesn't seem to make sense until we know what's going on with Prop 400. Thank you.

Mr. Smith said and just so we are clear, Ed, we appreciate that and we are looking at planning. Scenario own is a conservative in a reduces the amount of funding under current levels so just so we know scenario is not the status quo. That is a reduction, as you can see, it defers previously planned, mostly service swaps not expansions of service or funding swaps, I mean so you just want to be clear is when we talk about these scenario 1s, you have the status quo or based on revenue and then you have different contingencies that what if the revenue doesn't hold up. So, I just want to be clear that scenario own is not the status quo. It's a reduction from what we have and would have impact on cities, specifically, related to the funding swaps.

Mr. Brady said okay. So, Kevin, I'll let you go next. I guess, I'm a little perplexed to be honest. When we are at MAG, we rely upon the ADOT numbers. Am I not correct? And we are relying on them to do a 20-year forecast. I don't know why we would think it would be any different over here. And so, in my mind, you know, we -- if it's good enough for MAG, it's good enough for Valley Metro and I recognize that I don't think that slide 46 is what -- I think we are misinterpreting that. It was a comparison of forecast versus performance and a lot of us maybe at the beginning of the COVID readjusted or I'm sorry -- I don't know the slide that showed the green -- that showed the forecasted versus collections.

All that demonstrated was that some of us, maybe, adjusted our budgets significant down on revenue in anticipation of significant downturn in the economy and then, maybe, we outperformed our forecast significantly. I'm having to explain to my council, you know, what were you holding back on me, Mr. City Manager, you really blew it back in April because you told us things were going to be really bad and it really isn't. It's actually doing better than we ever expected. I think that's what's happening throughout the region. There may be some that are flat, but I don't -- I'm not aware of too many cities that are doing less than what they probably, at the beginning of the fiscal year, had anticipated.



But also, just going back to the ADOT forecast. I'm not comfortable trying to suggest that somehow the region and Valley Metro's not going to receive enough revenues to continue on the existing plans and programs that some of us have anticipated going forward. I really do think we need to stick with the plans, some of us have built that in to our assumptions and I don't see anything in these revenue projection that would suggest that we need to make a modification. If nothing else, I would suggest we take advantage of the federal dollars because we don't really have to use our dollars to support or hold up the operations because the sales tax is coming in so strong. We probably ought to take these federal dollars and figure out a way to invest in something that will -- can give us a long-term return in our equipment or facilities.

So, just a different perspective, but I would take this as a positive. It looks like our revenues are coming in. We have managed expenditures. We have funding coming in from the federal government. We need to find a way to take advantage of this unique opportunity to invest in our system. And I think we need to go back to the fundamentals that we rely upon, ADOT and revenues and MAG. That's good enough for MAG, it's good enough for this agency also. Thanks.

Mr. Phelps said yeah. And I'll jump on board with Chris's comments as well. I, you know, we rely heavily on ADOT. I think that, you know, we would feel more comfortable using the ADOT assumptions for revenue. When we did our, I mean, there was no exact science when we try to adjust to, you know, the pandemic, but what I can tell you is we adjusted it downward to be conservative, but we didn't have to drastically change our service levels in doing so. You know, I'm concerned that if we get too conservative on the -- on our assumptions for revenue that we will be forced to make early programmatic changes that will be harder to restore, perhaps, down the road if the revenues do indeed meet the ADOT forecast. I'd rather manage this along the way and if all of a sudden six months into the budget process we see that the ADOT numbers are tending to trend a little bit more aggressive, you know, Scott and his team can come back easily with some proposed budget changes to get us back in balance. But I would feel far more comfortable of adopting the ADOT forecast, and I believe that my member who represents us on the Board will also communicate that as well.

Mr. Smith said and Kevin, just so you know, the scenarios that Paul put out were intended to be those contingencies that what if actuals and actual experience does not match what we thought they would and those are the places we would go. I think what the challenge is whether those are the contingencies or whether they are the starting point.

Mr. Phelps said yeah. And, Scott, thanks for -- I guess, where I was coming from is that we have had -- I have had some concerns that the Audit and Finance Subcommittee, for example, has kind of recommended a really a conservative approach on revenue and so all I'm saying is I think we -- I understood the different scenarios, but I would feel more comfortable, again, going forth and assuming the ADOT and then we will already know how we can manage some of the changes if needed be.



Mr. Smith said right. And if I'm hearing you right just to make sure we understand. The ADOT would be the starting point that would be the budget that Paul proposed

Mr. Phelps said right.

Mr. Smith said -- and the scenarios would be our contingency plans if we see a reality that deviates from the ADOT projection. Is that what I'm hearing?

Mr. Phelps said yeah, well, yeah. Because I -- am I not correct that the -- that there has been some direction provided by the Audit and Finance Subcommittee to be a little bit more conservative on the assumptions?

Mr. Hodgins said yes, that's correct.

Mr. Phelps said and I'm just so I'm trying to speak more to that. I, you know, I from our perspective as MAG managers, I would say that we, you know, we would encourage the more aggressive and then, again, I appreciate you have laid out already some scenarios that we can easily adapt if needed be.

Mr. Chair said thank you, Kevin. Are there any other comments from the Committee members? Anyone else want to weigh in? Okay. I'm not hearing any so indulge me I'm going to take my hat off as Chair and speak from a Peoria perspective.

I agree with what Kevin and Chris were saying. I think the ADOT projections would be the one of preference. I don't see anything to dissuade me from thinking they are off in any way. I think the prospect of additional stimulus money coming in will assist. I also agree fully that -- on the MAG Prop 400 E discussion moving forward is predicated on the full TLCP and adjusting that would throw a little bit of a spanner in the works, but it could be worked through. So, I'm in agreement, I think Paul has done a tough job of navigating, but the appropriate, at the same time, of looking at different options and what it sounds like to me is we will, basically, move forward, think optimistically. We have scenarios in place, and I agree with Kevin if something happens, we will manage our way through this as we always do. So, I'd just like to share that and thank you for your indulgence and I will now put my hat back on as Chair.

And ask a final time if there are any other considerations or questions from the Committee on the -- this particular item? And if you could, Scott, real quickly summarize the next of where this goes at this point.

Mr. Smith said I'll let Paul since he is more in tune with it. This was information presentation, but, Paul, you want to take it from here?

Mr. Hodgins said sorry. Pardon me, Mr. Chair, I only heard half of what you said. Next steps for the budget?



Mr. Smith said where do we go from here? What next steps? And where do we go? Based on the conversation you have heard today, what would be the next -- how would you move forward?

Mr. Hodgins said so we will take the feedback, obviously, we are going to take this through the Audit and Finance Subcommittee tomorrow and the Board later this month. We will take any additional feedback from both of those groups, but I would certainly feel comfortable moving to the ADOT forecast as our base so we would make those adjustments throughout April, update the budget, update the budget documents that are posted so that when we come back in May what you would see is the higher revenue forecast with adjustments only to operations not to any of our internal planning or admin or any of that.

Chair Strunk said thank you, Paul for that summary. This was an informational item so unless there are any additional questions, Mr. Smith, we will move on to the next item.

#### 5. Future Agenda Items Request and Report on Current Events

Mr. Chair said do we have anything today? All right.

#### 6. Next Meeting

The next meeting will be on Wednesday, April 7, 2021, at 11:00 am. Thank you everyone for attending today. Great conversation and I'm sure we will hear a lot more as we go down the road here. Thank you. And we will see you next month. The meeting is adjourned.

With no further discussion the meeting adjourned at 12:46 a.m.



# Information Summary

## DATE

March 31, 2021

## AGENDA ITEM 3A

## SUBJECT

Contract Award for Compressed Natural Gas (CNG) Facility Maintenance

## PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a contract with Clean Energy Fuels Corporation to provide CNG facility maintenance at the Mesa Bus Operations and Maintenance Facility effective July 1, 2021 for a total term of 7 years (5-year base contract plus one two-year renewal option). For the total term of the contract, the award amount is \$1,611,200.

## RECOMMENDATION

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to execute a contract with Clean Energy Fuels Corporation to provide CNG facility maintenance at the Mesa Bus Operations and Maintenance Facility effective July 1, 2021 for a total term of 7 years (5-year base contract plus one two-year renewal option). For the total term of the contract, the award amount is \$1,611,200.

## BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro's current contract for CNG facility maintenance services expires June 30, 2021. Valley Metro continues to have a need for CNG facility maintenance services that includes preventative and corrective repair maintenance services on Valley Metro's natural gas compression and vehicle fueling equipment located at the Mesa Bus Operations and Maintenance Facility. These services will include all scheduled and unscheduled repairs, as well as all maintenance, consumables, parts, and labor as required to maintain the performance of the equipment.

In November 2020, Valley Metro issued a Request for Proposals for this contract. Proposals were evaluated based on the following criteria: (1) Firm Qualifications & Experience, (2) Personnel Qualifications & Experience, (3) Understanding / Approach to the Scope of Services and (4) Price. Four contractors' submitted proposals as follows:

1. Trillium Transportation Fuels, LLC
2. Clean Energy Fuels Corp.
3. Zeitenergy, LLC
4. TruStar Energy

A selection committee comprised of staff from Valley Metro evaluated technical proposals. The selection committee has finalized its evaluations of each firm's technical proposal, and the agency has finalized evaluation of each firm's price proposal. The



Selection Committee ranked proposals and arrived at its award recommendation using a “Best Value” process which allows for a contract award based on a combination of technical and cost factors. Based on this process, the selection committee has selected Clean Energy Fuels Corporation as the firm whose proposal offers the “best value” to the agency.

The following table shows the technical, cost, and combined scores for the four proposers:

Rank and Firm	Technical Score	Price Score	Combined Score
<b>1. Clean Energy Fuels Corp.</b>	717	144	861
<b>2. Trillium Transportation Fuels, LLC</b>	605	200	805
<b>3. Zeitenergy, LLC</b>	495	124	619
<b>4. TruStar Energy</b>	470	71	541

A cost estimate was prepared prior to soliciting to assist with preplanning and with the evaluation review process. Additionally, the cost estimate in coordination with the price analysis assisted in the determination of fair and reasonable for this procurement.

**COST AND BUDGET**

The CNG facility maintenance services for approval has a total term of 7 years (5-year base contract plus one two-year option). For the total term of the contract, the total contract value is \$1,611,200 with funding as follows:

Year 1	Year 2	Year 3	Year 4	Year 5	Option Years		Total
					Year 1	Year 2	
\$218,500	\$222,300	\$226,100	\$229,900	\$233,700	\$237,500	\$243,200	\$1,611,200

For the first year of the contract, the contract obligation is \$218,500, which is funded within the Valley Metro RPTA Proposed FY22 Operating and Capital Budget. Contract Obligations beyond FY22 are incorporated into the Valley Metro RPTA Five-Year Operating Forecast and Capital Program (FY2022 thru FY2026). The cost submitted by Clean Energy will result in a reduction for FY22 as the current annual cost of the CNG facility maintenance services is \$248,000.



### **STRATEGIC PLAN ALIGNMENT**

This item relates to the following goals and strategies in the Five-Year Strategic Plan FY 2016 – 2020:

- Goal 1: Advance performance-based operations

### **COMMITTEE PROCESS**

RTAG: March 16, 2021 for information

TMC: April 7, 2021 for action

Board of Directors: April 22, 2021 for action

### **CONTACT**

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### **ATTACHMENT**

None



# Information Summary

## DATE

March 31, 2021

## AGENDA ITEM 3B

## SUBJECT

Purchase of Diesel and Unleaded Fuel

## PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a cooperative agreement purchase order with Senergy Petroleum LLC under Arizona State Contract for diesel and unleaded fuel for a not-to-exceed amount of \$13,770,000 over a five-year period.

## RECOMMENDATION

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to execute a cooperative agreement purchase order with Senergy Petroleum LLC under Arizona State Contract for diesel and unleaded fuel for a not-to-exceed amount of \$13,770,000 over a five-year period.

## BACKGROUND | DISCUSSION | CONSIDERATION

Cooperative Agreements are contracts that are solicited and awarded by other public entities and whose cooperative language allows Valley Metro to utilize these contracts for goods and services it requires. This cooperative contract for diesel and unleaded fuel was procured via the State of Arizona Procurement Office of the Department of Administration and is currently awarded to, Synergy Petroleum LLC. Valley Metro uses this contract to fulfill its diesel and unleaded fuel purchase needs. Valley Metro is looking for approval of a five-year term.

## COST AND BUDGET

The diesel and unleaded fuel usage over five years has a total estimated value of \$13,770,000. The five-year forecast for diesel and unleaded fuel for Mesa bus operations, West Valley bus operations, and Paratransit<sup>1</sup> operations is in the chart below.

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<sup>1</sup> The Board approved Valley Metro's direct purchase of bulk fuel for paratransit on March 12, 2020. Paratransit fuel was previously purchased by the contractor and reimbursed by Valley Metro. The direct purchase of bulk fuel is anticipated to result in an annual savings of approximately \$120,000 once service levels return to pre-pandemic levels.



	FY 22	FY 23	FY 24	FY 25	FY 26	Total
Mesa Diesel	\$390,000	\$400,000	\$410,000	\$420,000	\$440,000	\$2,060,000
West Valley Diesel	\$750,000	\$780,000	\$800,000	\$820,000	\$850,000	\$4,000,000
West Valley Unleaded	\$130,000	\$134,000	\$138,000	\$142,000	\$146,000	\$690,000
Paratransit Unleaded	\$1,322,000	\$1,362,000	\$1,403,000	\$1,445,000	\$1,488,000	\$7,020,000
<b>Total</b>	<b>\$2,592,000</b>	<b>\$2,676,000</b>	<b>\$2,751,000</b>	<b>\$2,827,000</b>	<b>\$2,924,000</b>	<b>\$13,770,000</b>

For FY22 the Valley Metro Mesa Bus Operations and Maintenance Facility needs are estimated to be \$390,000, the West Valley Bus Operation and Maintenance Facility needs are estimated to be \$880,000 and the Paratransit East Valley Facility needs are estimated to be \$1,322,000. The total FY22 contract obligation is estimated to be \$2,592,000 and is included in the RPTA Proposed FY22 Operating and Capital Budget. Contract obligations beyond FY22 are incorporated into the Proposed RPTA Five-Year Operating Forecast and Capital Program (FY2022 thru FY2026).

**STRATEGIC PLAN ALIGNMENT**

This item relates to the following goals and strategies in the Five-Year Strategic Plan FY 2016 – 2020:

- Goal 1: Advance performance-based operations

**COMMITTEE PROCESS**

RTAG: March 16, 2021 for information

TMC: April 7, 2021 for action

Board of Directors: April 22, 2021 for action

**CONTACT**

Ray Abraham

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**ATTACHMENT**

None



# Information Summary

## DATE

March 31, 2021

## AGENDA ITEM 4

## SUBJECT

Proposed October 2021 Service Changes

## PURPOSE

To provide an update on the proposed October 2021 transit service changes and community outreach plan.

## RECOMMENDATION

This item is for information only.

## BACKGROUND | DISCUSSION | CONSIDERATION

Transit service changes are scheduled twice each year in April and October. In preparation for these service change dates, Valley Metro staff works closely with the Service Planning Working Group (SPWG), comprising representatives from Valley Metro member cities, to determine needed changes and to coordinate across jurisdictions. The SPWG meets monthly. The changes work in coordination with the five-year Short Range Transit Program (S RTP) as well as the Board-adopted Transit Standards and Performance Measures (TSPM) performance quartiles.

Changes have been proposed and continue to be discussed with the SPWG. Valley Metro staff is analyzing the proposed route changes in terms of the Board-adopted TSPM, Title VI impacts, defining possible fleet needs and all costs involved. The following is a list of all changes to be presented to the public for comment. Included are changes proposed to Valley Metro operated and/or funded services and those operated and/or funded by other jurisdictions. More information about each potential route change will be provided on the Valley Metro website throughout the public outreach process. Overall, the proposed changes include route modifications, service increases, service reductions, and a new route. As a part of the public outreach process, impacts to paratransit service caused by fixed route changes will also be communicated to the public to solicit comments.

### Proposed Route and Schedule Changes:

- Route 27—27th Ave: Increase peak frequency to 15 minutes between Van Buren and Thunderbird in Phoenix.
- Route 29—Thomas Rd: Add 15-minute frequency on Saturdays between Desert Sky Transit Center and 44th St in Phoenix.
- Route 30—University Dr: Reduce span of service in Tempe.
- Route 41—Indian School Rd: In Scottsdale, match Phoenix service span expansion 5a.m. – Midnight weekdays and weekends.
- Route 45—Broadway Rd: Reduce span of service in Tempe.
- Route 48—49th St/Rio Salado Pkwy: Reduce span of service in Tempe.



- Route 50—Camelback Rd: Add 15-minute frequency on Saturdays between 67th Ave and 44th St in Phoenix.
- Route 56—Priest Dr: Reduce span of service in Tempe.
- Route 61—Southern Ave: Reduce span of service in Tempe.
- Route 62—Hardy Dr: Reduce span of service in Tempe.
- Route 65—Mill Ave: Either eliminate this route and provide increased frequency along Route 66 or reduce span of service in Tempe.
- Route 66—Mill Ave: Reduce span of service, and potentially increase frequency to replace route 65 service.
- Route 72—Scottsdale/ Rural Rd: In Scottsdale, implement Pinnacle Peak extension. Reduce span of service in Tempe.
- Route 77—Baseline Rd: In Phoenix, increase peak frequency to 15 minutes between 51st Ave and 48th St. Reduce span of service in Tempe.
- Route 81—Hayden/McClintock Dr: Reduce span of service in Tempe.
- Route 108—Elliot Rd: Reduce span of service in Tempe.
- Route 120—Mesa Dr: In Mesa, increase weekday span to 5 a.m. to 10p.m. Improve Saturday and Sunday service span to 6 a.m. – 9 p.m. and headways to 30 minutes.
- Route 170—Bell Rd: In Phoenix, increase peak frequency to 15 minutes between 35th Ave and Tatum. In Scottsdale, match Phoenix service span 5 a.m. – Midnight weekdays and weekends.
- Peoria on the Go (POGO): Reinstate POGO service with three new pilot routes to run Friday through Sunday, 10 a.m. to 10 p.m., serving activity centers.
- Tempe Orbit Mercury: Reduce frequency from 10 to 15 minutes on weekdays.
- Tempe Orbit Saturn: Route modification or potential elimination.
- Fountain Hills-Mesa Connector: New route connecting FH PNR with the Gilbert Road/McDowell Road PNR.
- Route 514—Fountain Hills/Scottsdale Express: Modify route to start and end at Mustang Transit Center. Eliminate service to and from Fountain Hills.

### Public Outreach

Valley Metro is conducting community outreach beginning in May to notify the public and solicit input on the proposed service changes. Comments will be accepted from 5/3/2021-6/4/2021. Customers can provide feedback through the following channels:

- On-site region-wide information sessions (based on service change impacts)
- Webinar/Public Hearing (May 19, 2021)
- Social media
- Via email at [input@valleymetro.org](mailto:input@valleymetro.org)

Valley Metro communicates these input opportunities through newspaper advertising (30 days in advance of the public hearing date – English and Spanish publications), news release(s), website, email, social media, city publications and targeted outreach at key locations.

Following the public review process and final review by the Service Planning Working Group, proposed service changes operated and/or funded by Valley Metro will be brought



before the Board for action. This will include any actions necessary to adjust affected transit service operating contracts and Intergovernmental Agreements with member agencies.

### **STRATEGIC PLAN ALIGNMENT**

This item addresses two goals in Valley Metro's draft Strategic Plan:

- Enhance lives through regional mobility – current system
- Excellent Rider Experience

### **COMMITTEE PROCESS**

RTAG: March 16, 2021 for information

TMC: April 7, 2021 for information

Board of Directors: April 22, 2021 for information

### **ATTACHMENT**

None

### **CONTACT**

Jim Hillyard

Chief Administrative Officer

602-322-4420

[jhilliard@valleymetro.org](mailto:jhilliard@valleymetro.org)



# Information Summary

## DATE

March 31, 2021

## AGENDA ITEM 5

## SUBJECT

Valley Metro RPTA Fixed Route Bus Advertising

## PURPOSE

To provide an informational update on the placement of advertising on RPTA-operated buses, focusing on the history, opportunities and challenges.

## RECOMMENDATION

This item is being presented for information and discussion.

## BACKGROUND | DISCUSSION | CONSIDERATION

Since public agencies took over private transit operations and began operating them as a public service, there has been an ongoing debate over the placement of commercial advertising on transit vehicles. Today, many public transit agencies utilize advertising, with the primary reason of revenue generation to offset operating costs or possibly expand service. On the other hand, many public transit agencies do not allow advertisements on their vehicles, forgoing the revenue potential. The reasons for allowing or not allowing advertising are varied. Some believe advertising on public property is inappropriate or are concerned about problems should an offensive ad be placed on a public asset, such as a bus. Others feel that ads distract from the transit agency brand or create safety issues. However, attitudes have evolved with the successful use of advertising in many cities and the desire for additional revenue. As such, many agencies are taking a fresh look at their advertising policies believing that the benefit of revenue could possibly outweigh any challenges. Valley Metro RPTA is no different. During recent budget discussions, the RPTA Audit and Finance Subcommittee raised the issue with staff and requested an analysis and update on bus advertising.

The discussion of bus advertising is not new for Valley Metro RPTA. Over the years, the Valley Metro RPTA Board has taken a somewhat conservative view regarding advertising. The Board has taken two formal actions – in 1994 and 2000 – to prohibit ads on RPTA buses. Records show the Board based these actions largely on concerns related to negative impacts on system identity/image and the belief that ads were inappropriate on a public service. RPTA's formal policy is also consistent with ordinances in some RPTA member cities that prohibit commercial advertising on public assets and/or within their communities. The current RPTA "no advertising" policy does create a natural conflict in the region as Valley Metro Rail and City of Phoenix Public Transit both allow advertising on some or all of their Valley Metro-branded vehicles.



This memo will discuss in some detail the region's history with advertising, the costs and benefits of advertising in a transit environment and will analyze how our peers manage bus advertising within their communities. Staff will also provide information on the revenue potential, costs and considerations associated with the potential of expanding the advertising program.

In presenting this information, staff recommends proceeding with caution and evaluating all aspects and impacts that an expanded advertising program could create. The long-term impact of a change in policy could be significant and there are different options that could and should be evaluated. If the Board wishes to consider a bus advertising program, staff recommends exploring a program that balances brand/safety/customer experience along with revenue generation.

For the first time, Valley Metro and the City of Phoenix have agreed upon a common branding and paint scheme for new buses in the region. This branding philosophy is also being applied to Valley Metro Rail vehicles: the new Siemens light rail vehicles, Brookville streetcars as well as the re-painting of our existing 50-car light rail fleet. With these significant changes in regional branding, now is an ideal time to evaluate the future of advertising that could be placed on Valley Metro-operated vehicles.

## **History of Transit Advertising in Metro Phoenix**

Primary bus advertising milestones and decision points:

- **1981** – City of Phoenix begins advertising on their bus benches
- **1994** – Valley Metro RPTA Board defers adoption of an advertising policy citing “image” and “clutter” concerns; City of Phoenix begins advertising on their buses
- **2000** – Valley Metro RPTA Board denies exterior advertising on buses citing sign ordinances, “system identity” and “safety” concerns as well as a lack of personal preference
- Several municipalities in the East and West Valleys initiate bus stop advertising programs in their communities
- Other communities continue to have sign ordinances that prohibit this type of advertising

Primary rail advertising milestones and decision points:

- **2003** – Valley Metro Rail (VMR) Board adopts the Light Rail System Advertising Policy that states that advertising opportunities should be built into system, but that no advertising should be allowed at this time
- **2008** – VMR Board approves of an advertising trial period, consisting of train and station advertising, for the 2009 NBA All-Star Game hosted in downtown Phoenix
- **2009** – VMR Board amends Advertising Policy to allow limited advertising on trains and at stations in Phoenix and Mesa (Tempe's ordinance prohibits ads in



their city); approves Advertising Sales Services contract with CBS Outdoor, now OUTFRONT Media

- **2010 – 2014** – VMR Board progressively opens up Advertising Policy to allow more inventory and a less restrictive standard with regard to alcohol; extends contract with OUTFRONT Media to take advantage of Super Bowl 2015 hosted in metro Phoenix
- **2015** – VMR Board approves contract with incumbent, OUTFRONT Media, for continued Advertising Sales Services support
- Staff is preparing for future Board review potential expansion into new areas of the rail system (i.e. streetcar), while recommending to curtail the number of and exterior space available on the light rail fleet, due to safety concerns and branding emphasis with recent investments made in re-painting the existing fleet and with new fleet coming on board

### **Challenges with Transit Advertising**

The challenges with transit advertising vary from being very tangible to intangible—from mitigating paint damage and coordinating access to secured facilities through third party contractors to system branding and customer safety and sentiment. One of the biggest balancing acts being that a bus or a train is a publicly-funded asset, built with the primary mission of service to the people of metro Phoenix, not as an advertising “vehicle.”

Breaking down a few of these elements, let’s dive into branding. At the Board and Management Committee’s urging, staff, at both Valley Metro and City of Phoenix, has worked collectively to build a regional brand for our fleet, bus and rail. This brand helps the public understand and appreciate the investment it’s making in transit and keeps the system looking in a state of cohesion and of high-quality. A clean, well-maintained and welcoming vehicle is one that passengers and even non-users want to board and ride and also recommend to their friends and colleagues. This could be especially important as regional voters will, once again, be asked to continue investing in our public transit system in just a few short years. Advertising clutters a vehicle, hides paint schemes and can be a detractor to the brand program. So, if choosing to pursue advertising, it’s an issue that needs to be carefully considered when developing the program.

As for maintenance issues, on the Valley Metro Rail side, we have experienced some damage to our fleet and stations from placing advertisements. While the contract language is clear that our Advertising Sales Service contractor is responsible for returning the vehicle and station platform infrastructure to its original condition and responsible for any associated costs, there is additional wear and tear on our assets. OUTFRONT has been responsive to these requests of the past; yet it is a cumbersome process and can generate labor hours to manage.



Another complexity that should be considered is the contract management and oversight as well on-site coordination at our operating facilities. Today, to manage the VMR Advertising Sales Program, we involve a project manager, contracts specialist and vehicle maintenance supervisory staff. The bulk of the coordination happens at the rail operations facility to coordinate the availability and scheduling of fleet – based on fleet maintenance schedules – and allocated, safe spaces in the shop for the installers to perform their work, as well as pre- and post-vehicle inspections. For the potential of bus advertising, some of this role would be performed by our contracted service provider(s), which would require updates and additional costs to their contract(s).

Last, but not least, are concerns about safety and rider comfort caused by covering vehicle windows from full-body advertising wraps. Law enforcement and emergency responders have voiced their concerns about advertising that covers windows and restricts sight lines from outside into the vehicle; particularly problematic during daylight hours when it's lighter outside than inside. Passengers have also complained about the reduction in light and views on wrapped rail cars. We would expect the same issues with wraps on buses. This concern has historically been mitigated by a higher level of perforation on the window vinyl material to allow for more visibility. However, the concerns persist; and on the rail side, staff is pursuing advertising wrap options that cover less windows, such as center-section wraps. Safety should be another consideration if bus advertising is, in fact, pursued.

### **Opportunities with Transit Advertising**

In FY19, pre-pandemic, the VMR advertising program generated \$1.82 million, which was used to offset individual member city contributions for rail operating expenses. VMR's contract with OUTFRONT Media is set up as a minimum annual (revenue) guarantee (or MAG) of \$1.1 million or 65% of net advertising revenues, whichever is greater. During the pandemic, naturally, advertising sales have dropped. In FY20, we maintained our MAG; however, for FY21, the program has generated \$227,500 through December 2020.

In CY19, the City of Phoenix bus advertising program generated \$1.67 million. Phoenix also generates a significant amount from their transit furniture advertising program, totaling \$2.25 million for the same period.

Staff asked OUTFRONT Media to prepare a proposal to illustrate what could be generated by the RPTA-operated fleet. The proposal reflects a conservative forecast due to the downward market and considering the timeline to ramp up interest in a new advertising program (~12 months). Please note: These are gross costs and do not include any additional expenses associated with maintenance, coordination and oversight (as noted above) to manage this program.



Assumptions	Total Annual RPTA Revenue Estimate
<ul style="list-style-type: none"> <li>OUTFRONT estimate based on standard access to RPTA-operated fleet</li> </ul>	<b>\$865,000</b>

Other benefits of advertising have been the ability to push our own messages through bus and train advertising messages and the creation of interesting partnerships that build ridership or support community goodwill, including Rail Ride with PHX Arena, Polar Express and Farm Express mobile produce market.

### Peer Agency Research

Of our six primary agency peers, most conduct bus advertising, interior and exterior. The range of revenue and products widely vary by agency.

Peer City	Bus Advertising Y/N
Dallas (DART)	Y
Denver (RTD)	Y
Houston (Metro)*	N
Portland (TriMet)	Y
San Diego (MTS)	Y
Salt Lake City (UTA)	Y

\*Metro – Houston City Council passed an ordinance called “Keep Houston Beautiful” where they do not allow visual “clutter” such as moving billboards on buses and trains. However, they do have partnerships with large events, e.g. Super Bowl, where wraps are allowed. They must be bright and have minimal copy. They also do “tails” on buses, however, all messaging is transit service related.



## **Future Considerations**

If the Valley Metro RPTA Board were to pursue fixed route bus advertising, staff would seek to develop an advertising approach that would balance the concerns raised in this memo with the opportunity of additional revenue. Importantly, necessary policy changes would also need to be considered. RPTA's current "no advertising" policy would need to be repealed and an advertising policy would need to be created and adopted. The same standards that are used in the Valley Metro Rail (attached) and the City of Phoenix advertising policies would be used to develop the RPTA policy, so that advertising content is approved consistently across the region.

In addition, Valley Metro currently has a contract with OUTFRONT Media, LLC for Advertising Sale Services. This contract award was competitive and evaluated on both Valley Metro Rail fleet and the potential scope additions for Bus and Vanpool. Per our contractual relationship with OUTFRONT Media, LLC, a change order would need to be negotiated and exercised to include the addition in scope.

Lastly, any advertising on RPTA-operated fleet would need to conform with applicable municipal sign and/or advertising ordinances within the cities Valley Metro operates fixed route bus service. Thus far, in our research, the city sign ordinances brought to our attention would not preclude this type of advertising.

## **COST AND BUDGET**

OUTFRONT Media estimates bus advertising on RPTA-operated fleet could potentially generate between \$800,000 – \$900,000/year in revenue. This is a forecast commensurate with the current advertising marketing and does not reflect any added costs associated with contract/program management.

## **COMMITTEE ACTION**

AFS: February 4, 2021 for information  
RTAG: February 16, 2021 for information  
TMC/RMC: April 7, 2021 for information  
AFS: April 8, 2021 for information  
Boards of Directors: April 22, 2021 for information

## **CONTACT**

Hillary Foose  
Director, Communications & Strategic Initiatives  
602-322-4468  
[hfoose@valleymetro.org](mailto:hfoose@valleymetro.org)

## **ATTACHMENT**

Valley Metro Rail's Advertising Policy



## **ADVERTISING POLICY**

Valley Metro Rail, Inc. (VMR) believes that advertising on the light rail system is best performed using a standard set of established criteria. Therefore, the following criteria are established for advertising:

### **Vehicle Advertising**

Advertising on the exterior of the articulated sections of the vehicle includes the entire fleet. Full exterior wraps are limited to a maximum of 25 vehicles; however, VMR staff has the flexibility to allow additional full wraps when advantageous to agency. VMR also reserves the right to wrap four (4) additional vehicles for the Community Train Wrap program.

Advertising on the interior of the vehicle includes ceiling decals. VMR staff will monitor the number of ceiling decals so as to avoid visual clutter.

Advertising on the interior of the vehicle also allows for the installation of LCD-TV in vehicles.

### **Station Advertising**

Station advertising is limited to wraps and display case posters.

Station wrap advertising occurs in participating cities only and is limited to backdrop banners, vertical banners and wrapped beams; no floor decals. Any advertising at stations cannot be attached to, or obscure, station art.

Station display case advertising occurs in participating cities only and is limited to no more than 50% of the display cases at any given station.

Advertising at station platforms also allows for the installation of electronic or standard kiosks.

### **Advertising Standards**

Any future VMR advertising policy will be consistent with the City of Phoenix Public Transit Department's policy that establishes the following standard:

The subject matter of Valley Metro Rail, Inc. system advertising is limited to speech that proposes a commercial transaction.

VMR policy prohibits the display of advertising copy or graphics that:

1. Are false, misleading, or deceptive
2. Relate to an illegal activity
3. Advertise or depict the use of tobacco or smoking products
4. Represent, by language or graphics, violence or anti-social behavior
5. Advertise or depict language, gestures, conduct or graphical representations that are obscene, pornographic, vulgar, profane or scatological
6. Represent, by language or graphics, a “nude” or “seminude” person, as those terms are defined in Section 11-811, Arizona Revised Statutes, or the exposed buttocks of any person
7. Depict, relate to or reference a website or other medium that relates to “specified sexual activities” or “specified anatomical areas” as those terms are identified in Section 11-811, Arizona Revised Statutes

Alcohol content is permitted on vehicles and at stations not within 600 feet of a church, or similar structure of worship, or school building.

All advertising is subject to approval by VMR and/or its designated representatives.

**Adopted by Valley Metro Rail Board of Directors on October 17, 2013.**

# RPTA Bus Advertising

History | Opportunities | Challenges

April 2021



1

## Advertising Question

- **Historically & nationally**
- **Locally with RPTA Board actions in 1994 & 2000**
  - “Image,” “safety” concerns
  - Yet, RPTA policy runs in conflict with VMR & Phoenix Transit
- **Today’s discussion:**
  - History
  - Challenges/concerns
  - Opportunities/revenue forecast
  - Peer research
  - Potential next steps



2

# Transit Vehicle Advertising History



## Bus Milestones

- 1994 – RPTA defers advertising citing “image” & “clutter;” COP advances bus advertising
- 2000 – RPTA denies advertising citing sign ordinances, “system identity” & “safety”

## Rail Milestones

- 2003 – VMR adopts policy, but not allowed at that time
- 2008 – VMR approves of trial period for NBA All-Star Game
- 2009 – VMR amends policy to advertise on trains and at select stations; approves contract with CBS Outdoor
- 2010 – 2014 – VMR progressively opens up policy
- 2015 – VMR approves contract with incumbent, OUTFRONT Media

3

3

# Challenges | Concerns



- **Public asset vs. advertising “vehicle”**
  - Potential concerns with content
- **High-quality, regional branding**
  - First time, unified paint scheme
  - Supports “Excellent rider experience”
- **Maintenance/wear and tear**
  - Labor to manage scheduling/repairs
  - Future: Effort borne by our contractor(s)
- **Public safety concerns**
  - Lack of visibility presents risks and first responder concerns

4

# Opportunity | Revenue Estimate



Assumptions	Total Annual RPTA Revenue Estimate
<ul style="list-style-type: none"> <li>OUTFRONT estimate based on standard access to RPTA-operated fleet</li> </ul>	<b>\$865,000*</b>

\* Would require a ramp-up period to establish a new program  
 \* Doesn't include any additional costs associated with contract/program management

# Peer Agency Research



- **5 out of 6 peers surveyed utilize bus advertising**
  - Full range of products
- **Houston Metro is exception**
  - “Keep Houston Beautiful” ordinance
- **UTA balances ads with branding**
  - All ads must be designed around logo



Considering history, context,  
revenue potential and costs...

## Should we advertise?

On the RPTA-operated fleet



7



## If So, Next Steps?

- **Develop advertising approach:**
  - Seek to balance brand, costs and safety concerns with revenue potential
  - Use same Advertising Standards as VMR and COP
- **Coordinate with bus contractor(s)**
- **Return to Board for action(s)**

8

Thank You





# Information Summary

**DATE**

March 31, 2021

**AGENDA ITEM 5****SUBJECT**

Future Agenda Items Request and Report on Current Events

**PURPOSE**

Chair Strunk will request future agenda items from members, and members may provide a report on current events.

**COST AND BUDGET**

None

**RECOMMENDATION**

This item is presented for information only.

**BACKGROUND | DISCUSSION | CONSIDERATION**

None

**STRATEGIC PLAN ALIGNMENT**

None

**COMMITTEE PROCESS**

None

**CONTACT**

Scott Smith

Chief Executive Officer

602-262-7433

[ssmith@valleymetro.org](mailto:ssmith@valleymetro.org)

**ATTACHMENT**

None

**Pending Items Request**

Item Requested	Date Requested	Planned Follow-up Date



# Agenda

March 31, 2021

**Rail Management Committee**  
Wednesday, April 7, 2021  
Via Webex/Phone  
**11:00 a.m.**

## Action Recommended

1. Public Comment

1. For Information

Public comment is being taken in written format and will be entered into the official minutes of the meeting.

2. Minutes

2. For action

Minutes from the March 3, 2021 RMC meeting are presented for approval.

## CONSENT AGENDA

3A. Central Processing Unit (CPU) Replacements Purchase

3A. For action

Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to execute a purchase order with Graymatter Systems, LLC over a two-year period for the supply of Central Processing Unit (CPU) replacements for traction power substations, signal houses, and communication cabinets at light rail passenger stations in an amount not to exceed \$224,838.

3B. Sycamore/Main St Station Point of Interest Name

3B. For action

Staff recommends that Rail Management Committee forward to the Board of Directors approval of "Asian District" as the new Point of Interest name for the Sycamore/Main St light rail station.



## REGULAR AGENDA

4. Future Agenda Items Request and Report on Current Events 4. For information

Chair Brady will request future RMC agenda items from members and members may provide a report on current events.

5. Next Meeting 5. For information

The next meeting of the RMC is scheduled for **Wednesday, May 5, 2021 at 11:00 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at [www.valleymetro.org](http://www.valleymetro.org)



# Information Summary

**DATE**

February 24, 2021

**AGENDA ITEM 1****SUBJECT**

Public Comment

**PURPOSE**

Public comment is being taken in written format and will be entered into the official minutes of the meeting.

**COST AND BUDGET**

None

**RECOMMENDATION**

This item is presented for information only.

**BACKGROUND | DISCUSSION | CONSIDERATION**

None

**COMMITTEE PROCESS**

None

**CONTACT**

Scott Smith

Chief Executive Officer

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[ssmith@valleymetro.org](mailto:ssmith@valleymetro.org)

**ATTACHMENT**

None



# Minutes

## DATE

March 31, 2021

## AGEDNA ITEM 2

### **Rail Management Committee**

Wednesday, March 3, 2021

Webex/Phone

11:00 a.m.

### **Rail Management Committee Participants**

Chris Brady, City of Mesa (**Chair**) (phone)

Ed Zuercher, City of Phoenix (**Vice Chair**) (phone)

Ryan Peters for Josh Wright, City of Chandler (phone)

Steven Methvin, City of Tempe (phone)

Chair Brady called the meeting to order at 12:46 p.m.

1. Public Comment

None.

2. Minutes

Chair Brady said minutes from the January 6, 2021 RMC meeting are presented for approval. Do you have a motion and a second?

**IT WAS MOVED BY ED ZUERCHER, SECONDED BY RYAN PETERS AND UNANIMOUSLY CARRIED TO APPROVE THE NOVEMBER 6, 2020 RMC MEETING MINUTES.**

3. Consent Agenda

Mr. Chair said we have items 3A Through 3D. Are there any items from the members that need to be removed from the Consent Agenda? If not, I'll take a motion to approve the Consent Agenda.

**IT WAS MOVED BY ED ZUERCHER, SECONDED BY STEVEN METHVIN AND UNANIMOUSLY CARRIED TO FORWARD THE CONSENT AGENDA ITEMS FOR THE BOARD OF DIRECTORS FOR APPROVAL.**



4. Valley Metro Rail, Inc. Fiscal Year 2022 (FY22) Preliminary Operating and Capital Budget

Chair Brady said Mr. Smith, I know how well you are at numbers and budgets so should we just go right to Paul.

Mr. Smith said yeah. Let's just go right to Paul.

Mr. Hodgins said thank you, Mr. Brady, Mr. Chair, members of the Committee. Quick presentation.

Mr. Hodgins provided a presentation which included the following:

- ✓ Budget Development Progress
- ✓ Key Assumptions and Feedback
- ✓ Baseline: Light Rail Operations
- ✓ Baseline: Streetcar Operations
- ✓ Uses of Funds: Operating & Capital
- ✓ Sources of Funds: Operating & Capital
- ✓ Uses of Funds: Operating
- ✓ Sources of Funds: Operating
- ✓ Uses of Funds: Capital
- ✓ Sources of Funds: Capital
- ✓ VMR Only Staff Changes from FY20 to FY22
- ✓ Updates
- ✓ Recap of Important Dates

Mr. Chair said thank you, Paul. Any questions for Paul? All right, Paul. I think just, you know, I would just comment that, you know, all of us are trying to manage those operating expenses and just be real, careful how those escalate. I think everybody's going to be comparing their own experience. I think just need the rail side and the, well, both sides just to watch and be careful on that operating side keeping those dollars manageable within the rate of inflation or revenues. So, if you can stay on top of those, I think we will all be interested in seeing how that moves along, I guess.

Mr. Hodgins said yes. Thank you.

Mr. Chair said any questions? All right. So, this was for information as I see it on the agenda. If there are no questions for Paul on the budget, we will go to Item Number 5.

5. Future Agenda Items Request and Report on Current Events

None.



6. Next Meeting

Our next meeting of the RMC is scheduled for Wednesday, April 7, 2021, at 11:00 a.m.  
The meeting is adjourned.

With no further discussion, the meeting adjourned at 12:56 p.m.



# Information Summary

## DATE

March 31, 2021

## AGENDA ITEM 3A

## SUBJECT

Central Processing Unit (CPU) Replacements Purchase

## PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a purchase order with Graymatter Systems, LLC over a two-year period for the supply of Central Processing Unit (CPU) replacements for traction power substations, signal houses, and communication cabinets at light rail passenger stations in an amount not to exceed \$204,338 plus a contingency of \$20,500, for a total of \$224,838.

## RECOMMENDATION

Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to execute a purchase order with Graymatter Systems, LLC over a two-year period for the supply of Central Processing Unit (CPU) replacements for traction power substations, signal houses, and communication cabinets at light rail passenger stations in an amount not to exceed \$224,838.

## BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro Rail's 28-mile light rail line is primarily street running and includes 43 passenger stations, 22 sub-stations, and park and ride lots. The CPU units are in need of replacement due to being the end of life with no factory support, need for security updates, and compatibility with the newer rail extensions. The CPU units will be replaced on the original 20-mile light rail alignment in the traction power substations, signal houses, and communication cabinets at light rail passenger stations. The CPU's are used extensively on our light rail system. Collectively, these devices monitor over 1500 points and report back to our SCADA system monitored at OCC (Operations Control Center). Examples are:

- ECB (Emergency Call Box) activation.
- Network equipment.
- PAVMS (Public Address Video Messaging System) components.
- Wayside building, and cabinet intrusion alarms.
- Wayside building fire alarms.
- CCTV cameras (loss of video, tamper detection).

Upgrades are necessary for the following reasons:

1. Component End of Life - Our existing CPU's on CPEV (Montebello to Sycamore) no longer have factory support.
2. Security - Because of the discontinuation of support, security updates are no longer available.



3. Compatibility - All extensions (CME, NWX, and GRE, as well as future projects) use the Emerson family of CPU's. Upgrading CPEV will ensure compatibility for ease of spare parts and training.

The contractor will provide the supply of CPU units over a two year period. All labor for the installation will be done in house by Valley Metro Rail staff.

Valley Metro is issuing a sole source purchase order with Graymatter Systems, LLC for the supply of CPU's. There are no approved aftermarket suppliers that were able to provide information or solutions for this need. Another manufacturer part may not fit or work with the same design as the Emmerson equipment. There were no other manufacturer that could provide like, similar or substitutions for Valley Metro to consider for replacement of the equipment.

An independent cost estimate including a cost comparison and price analysis have been completed. The proposed price has been deemed fair and reasonable based on the price analysis.

#### **COST AND BUDGET**

The cost for the supply of CPU replacements over the two years is in an amount not to exceed \$224,838 which includes a \$20,500 contingency for any unanticipated costs that may occur during the repairs. The cost for the supply of CPU replacements is included in the Valley Metro Rail Adopted FY 2021 Operating and Capital Budget. Contract obligations beyond FY 2021 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2021 thru FY2025).

#### **STRATEGIC PLAN ALIGNMENT**

This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance-based operation

#### **COMMITTEE PROCESS**

RTAG: March 16, 2021 for information

RMC: April 7, 2021 for action

Board of Directors: April 22, 2021 for action

#### **CONTACT**

Ray Abraham

Chief Operations Officer

[rabraham@valleymetro.org](mailto:rabraham@valleymetro.org)

#### **ATTACHMENT**

None



# Information Summary

## DATE

March 31, 2021

## AGENDA ITEM 3B

## SUBJECT

Sycamore/Main St Station Point of Interest Name

## PURPOSE

To request authorization to modify the Sycamore/Main St Station Point of Interest name from “Tri-City” to “Asian District.”

## RECOMMENDATION

Staff recommends that Rail Management Committee forward to the Board of Directors approval of “Asian District” as the new Point of Interest name for the Sycamore/Main St light rail station.

## BACKGROUND | DISCUSSION | CONSIDERATION

At the March 18, 2021 Valley Metro Rail Board meeting, Board Chair and Mesa Councilmember Francisco Heredia asked for this agenda item to be added to the next Board meeting for discussion and action.

In January 2020, the city of Mesa unveiled a new brand for the Asian District, which is comprised of more than 70 Asian-themed restaurants, grocery stores and other retail businesses along a two-mile stretch of Dobson Road in west Mesa. The Sycamore/Main St light rail station is the closest point along the rail system where passengers can access the Asian District, making it the most relevant Point of Interest to highlight at that station location. The current Point of Interest for the station is “Tri-City” in reference to the former Tri-City Mall, which is no longer.

The Valley Metro Rail Board of Directors approved of a Station Naming Policy in 2004 that requires a geographic name as well as an option for a Point of Interest name for light rail stations and streetcar stops. Station names (both geographic and any Points of Interest) are approved by the Board as stations are constructed. Points of Interest that meet the criteria may be identified at the Board’s discretion. Point of Interest names are intended to help with passenger information and wayfinding.

## COST AND BUDGET

Costs and labor associated with changing out the name plates are nominal and within the Valley Metro Rail Adopted FY21 Operating and Capital Budget. The sources of funding are federal and member city contributions.



## **STRATEGIC PLAN ALIGNMENT**

This item relates to the following goals and strategies in the Board adopted FY16 – 20 Strategic Plan:

- Goal 1: Increase customer focus
  - Tactic A: Improve customer satisfaction
  - Tactic C: Enhance customer service to member cities
- Goal 3: Grow transit ridership
  - Tactic D: Partner with the business community to provide transit services to support their economic growth and attract new businesses

## **COMMITTEE PROCESS**

RMC: April 7, 2021 for action

Board of Directors: April 22, 2021 for action

## **CONTACT**

Hillary Foose

Director, Communications & Strategic Initiatives

602-322-4468

[hfoose@valleymetro.org](mailto:hfoose@valleymetro.org)

## **ATTACHMENTS**

VMR Station Naming Policy



## **STATION NAMING POLICY** **(Revised - September 29, 2004)**

### **Station Names**

Valley Metro Rail, Inc. believes that the naming of rail stations and facilities along the light rail corridor is best performed using a standard set of established criteria. Therefore, the following criteria are established in the determination of station names and facilities.

#### **Rail stations shall be named using the following standard criteria:**

- Rail stations should be named with the maximum benefit and convenience of the user in mind and to assist patrons in navigating the system;
- All names shall identify as closely as possible the geographic location of the station (e.g. cross streets at the station location);
- Rail stations shall not be named after individuals -- either living or deceased;

**Also, names of all light rail stations and facilities shall be subject to ratification by the Valley Metro Rail Board of Directors.**

### **Point Of Interest Naming Policy**

The point of interest naming policy is provided as an addition to the Station Naming Policy and maintains the intent of providing maximum benefit and convenience of the transit system user.

Valley Metro Rail, Inc. believes that transit passengers are best served by both identifying strategic points of interest at station locations and by limiting the number of these points of interest. The introduction of too many points of interest will result in the overloading of information on station signage and system maps, to the detriment of information processing by the passenger.

Therefore, the following criteria are established in the determination of point of interest designations:

- Points of interest must be major civic or public educational facilities/areas that are easily recognized by the public as a desirable destination;
- Such names shall be simple so as to be clearly understood by the user;



- All point of interest names shall be of facilities or institutions that have been built with significant public participation or of defined areas that have been designated by City Council action,
- The point of interest names shall be appended to the station banner signs to provide passenger visibility, but not in such a way as to confuse or overshadow the official station name.
- The point of interest names shall be no longer than 26 characters, including spaces.
- Point of interest names may also be added to the station directory map and information maps and brochures that provide station name information. The Agency shall retain the discretion to omit or shorten point of interest names with standard abbreviations where space is a consideration.

**Also, point of interest names shall be subject to ratification by the Valley Metro Rail Board of Directors.**



**DRAFT STOP NAMES – TEMPE STREETCAR**

FULL STOP NAMES	ABBREVIATED NAME	POINT OF INTEREST (POI)
Dorsey Lane/Apache Boulevard	Dorsey Ln/Apache	
Rural Road/Apache Boulevard	Rural/Apache	
Paseo Del Saber/Apache Boulevard	Paseo Del Saber/Apache	
College Avenue/Apache Boulevard	College Ave/Apache	
Eleventh Street/Mill Avenue	Eleventh St/Mill	
Ninth Street/Mill Avenue	Ninth St/Mill	
Sixth Street/Mill Avenue	Sixth St/Mill	
Third Street/Mill Avenue	Third St/Mill	
University Drive/Ash Avenue	University Dr/Ash	
Fifth Street/Ash Avenue	Fifth St/Ash	
Third Street/Ash Avenue	Third St/Ash	
Tempe Beach Park/Rio Salado Parkway	Tempe Beach Park/Rio Salado	
Hayden Ferry/Rio Salado Parkway	Hayden Ferry/Rio Salado	
Marina Heights/Rio Salado Parkway	Marina Heights/Rio Salado	



## **STATION NAMING POLICY** **(REVISED)**

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## Station Naming Policy (Revised)

Page 2 of 2

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Also, point of interest names shall be subject to ratification by the Valley Metro Rail Board of Directors.

**Adopted by Valley Metro Rail Board of Directors on September 29, 2004.**



# Information Summary

**DATE**

February 24, 2021

**AGENDA ITEM 7****SUBJECT**

Future Agenda Items Request and Report on Current Events

**PURPOSE**

Chair Brady will request future agenda items from members, and members may provide a report on current events.

**COST AND BUDGET**

None

**RECOMMENDATION**

This item is presented for information only.

**BACKGROUND/DISCUSSION/CONSIDERATION**

None

**COMMITTEE ACTION**

None

**CONTACT**

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602-262-7433  
[ssmith@valleymetro.org](mailto:ssmith@valleymetro.org)

**ATTACHMENT**

None

### Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date