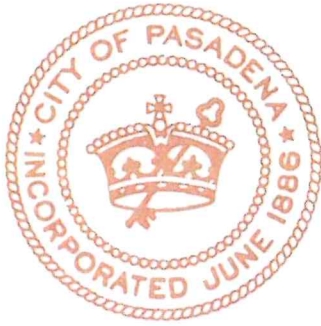




Agenda Report

July 13, 2026

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Transportation

SUBJECT: **AUTHORIZE THE CITY MANAGER TO ENTER INTO AGREEMENTS TO ACCEPT \$2,400,000 IN METRO ZERO-EMISSION VEHICLE GRANT FUNDS, AMEND CONTRACT 31918 WITH CONNEXIONZ LTD. BY INCREASING THE NOT-TO-EXCEED AMOUNT BY \$1,757,342 FOR ONBOARD TECHNOLOGY ON THE PASADENA PUBLIC TRANSIT FLEET, AND AMEND THE FY 2027 CAPITAL IMPROVEMENT PROGRAM BUDGET**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed actions do not constitute a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15301 of the State CEQA Guidelines, and as such, no environmental document pursuant to CEQA is required, with the exception of the bus stop enhancements, which are found to be categorically exempt from CEQA pursuant to State CEQA Guidelines, Section 15301, Class 1 – Existing Facilities, and that there are no features that distinguish the bus stop enhancements from other projects in the exempt class and, therefore, there are no unusual circumstances;
2. Authorize the City Manager to enter into all agreements with the Los Angeles County Metropolitan Transportation Authority (Metro) associated with the receipt of \$2,400,000 in Metro Zero-Emission Call for Project grant funding for the Pasadena Transit Hydrogen Fuel Cell Bus Procurement Cost Adjustment Project;
3. Amend the Fiscal Year 2027 Capital Improvement Program Budget, as detailed in the Fiscal Impact section;
4. Authorize the City Manager to amend Contract No. 31918 with Connexionz Ltd. by adding \$1,757,342, increasing the not-to-exceed amount to \$3,155,951, for the purchase of onboard technology for the Pasadena public transit fleet, which includes a base amount of \$2,996,193 and a contingency of \$159,758 (5.3%) to provide for any necessary change orders;

5. To the extent the amendments to Contract No. 31918 could be considered a separate procurement subject to the Competitive Selection Process, grant an exemption pursuant to Pasadena Municipal Code (PMC) Section 4.08.049(B), contracts for which the City's best interests are served. Competitive price bidding is not required pursuant to City Charter Section 1002(F) contracts for professional or unique services; and
6. Authorize the City Manager to approve no-cost amendments to Contract No. 31918 including durational extensions and necessary change orders.

BACKGROUND:

The City of Pasadena was awarded \$2,400,000 from the Los Angeles County Metropolitan Transportation Authority (Metro) Zero-Emission Vehicle Call for Projects grant on May 28, 2026. This funding represents an important step in Pasadena's effort to transition to zero-emission and enhance rider experience both onboard the bus and at bus stops. As a result, staff recommends a coordinated series of fiscal and contractual adjustments.

First, staff recommends accepting the \$2,400,000 Metro grant and appropriating the funds to the Pasadena Transit Buses CIP project 75085, while unappropriating \$1,225,034 in Proposition A/C Local Return Funds from the same project. The unappropriated Proposition A/C Local Return funds are recommended to be transferred to three transit-related capital projects that will support transit technology required to operate and maintain a consistent fleet. The full accounting of these changes appears in the Fiscal Impact section of this report.

In a related action, staff recommends amending Contract No. 31918 with Connexionz Ltd. by \$1,757,342 to support and implement transit technology required to operate and maintain a consistent transit fleet and customer experience on board buses and at bus stops. The contract increase will be fully funded by the increase in appropriations across the projects described in the report as a result of the grant acceptance.

Metro Zero-Emission Call for Projects Grant Award

In January 2026, the Department of Transportation (DOT) submitted this grant application to address procurement cost increases on the 17 zero-emission buses authorized for purchase by City Council in August of 2025. When this vehicle replacement project was initially developed in 2023, a baseline budget was established. However, through the multi-year life of the project, the City could not have budgeted for subsequent federal tariffs and the expiration of the statewide zero-emission transit bus sales tax exemption, which ultimately required additional funding to be integrated into the final project plan. To cover these project costs, the City initially allocated \$2,995,249 Local Return funds.

Metro subsequently awarded the City \$2,400,000 in grant funding under this program. By recognizing and appropriating this award into Capital Improvement Program (CIP) project 75085 for replacement transit vehicles, the City can reduce its local funding by \$2,400,000 and re-appropriate funds to other capital projects. The total cost of the 17-vehicle zero-

emission bus procurement authorized by City Council in August of 2025 with New Flyer of America remains at \$32,050,255. The Metro Zero-Emission Vehicle Call for Projects grant reduces the City's direct local transit funding commitment to \$595,249 (1.9% of the total) for the replacement of 17 transit vehicles.

This makes available \$1,757,342 in local funding to fund the fleet-wide technology, while leaving a fund balance of \$642,658 in Proposition A/C.

Fleetwide Technology - Connexionz Contract Amendment

On October 19, 2020, the City Council authorized Contract No. 31918 with Connexionz Ltd. for the Transit Vehicle Arrival Information System (TVAIS) for an amount not to exceed \$1,533,220. As the integrated central management system for Pasadena Transit, TVAIS is critical to the safety and efficiency of the fleet, providing essential dispatching, fare collection, schedule adherence, live vehicle health monitoring, and onboard communications.

Staff recommends increasing the contract with Connexionz by \$1,757,342 using Proposition A/C Local Return funding. The vast majority of this contract amendment is dedicated to purchasing the mandatory onboard hardware required to operate new vehicles within the fleet, alongside critical system maintenance and hardware standardizations as described below.

On-Board Technology for 25 New Zero-Emission Vehicles

A total of 25 new zero-emission transit vehicles require onboard hardware installation to integrate into the central TVAIS system and become fully operational for public service:

- 17 Pasadena Transit Zero-Emission Buses: Authorized by Council in August 2025 and scheduled for delivery in 2027
- 8 Pasadena Dial-A-Ride Vehicles: Including one vehicle prepared for immediate delivery and seven ordered on May 18, 2026, scheduled for delivery in early 2027.

While Pasadena Dial-A-Ride vehicles have historically had their onboard technology hardware procured directly through the Connexionz agreement, Pasadena Transit vehicles were previously equipped at the factory by the manufacturer, New Flyer. However, New Flyer and Connexionz no longer partner on factory integrations. Therefore, the City is now required to procure this equipment directly through the Connexionz contract. Although this modified approach requires more direct administrative oversight and logistics coordination by City staff, procuring the hardware directly from the system vendor eliminates third-party manufacturer markups and is ultimately less costly to the City.

Amending the existing Connexionz contract at this time is necessary to secure the standardized equipment and allow for technical integration during the vehicles commissioning process.

Fleet-Wide Technology and Safety Enhancements

In addition to equipping the incoming new zero-emission vehicles, this amendment addresses hardware standardization across the existing fleet:

- **Fleet Standardization and Network Security Alignment:** Currently, 30% of the active fleet is equipped with the City's Public Wi-Fi, and onboard digital route displays. While the incoming 17 zero-emission buses increase this to over 70% of the fleet, this amendment will retrofit the remaining 30% of the active fleet to ensure a completely standardized customer experience. For example, a Pasadena Transit user can rely on every bus being equipped with a bike rack, with this amendment every bus will have access to the City's Public Wi-Fi and digital route communications. Additionally, while the active fleet currently utilizes active onboard security measures for its Public Wi-Fi, this hardware aligns all onboard wireless communication protocols with the City's Department of Information Technology (DOIT) public Wi-Fi security standards.
- **First Responder Surveillance Access:** Onboard security cameras will be transitioned to the Armor Shield system, maximizing interior visual coverage and standardizing the technology to grant emergency responders real-time interior visibility during critical incidents.

E-Ink Real Time Displays and Maintenance Support:

The amendment includes bus stop hardware and ongoing system support to maintain service parity:

- **Service Consistency E-Ink Display Installations:** Following the successful transition of two major transit lines from Metro to Pasadena Transit in 2024, the DOT has added several major transfer stops throughout the system. Consistent with Pasadena Street Design Guidelines that require real-time arrival displays at all key timepoints and major transfer points. To restore service consistency and maintain customer experience standards, this funding procures seven new solar-powered e-ink displays.
- **Ongoing System Maintenance Support:** This supports ongoing maintenance that includes repairing physical signage damaged by localized construction or vehicle accidents, implementing mandated sign relocations and replacing failed parts. This routine upkeep is essential to keep the real-time passenger information network functioning properly.

COUNCIL POLICY CONSIDERATION:

The proposed action aligns with the City's priorities. Specifically, it addresses the priority of moving Pasadena decisively toward a carbon-free future. By leveraging external grant revenue to offset vehicle procurement costs, this action preserves and enhances local transit funding to support the deployment of zero-emission fleet assets and supporting infrastructure.

The proposed actions also support several key City Council Strategic Plan goals. The authorization to receive funding from Metro will Improve, Maintain, and Enhance Public Facilities and Infrastructure by offsetting local funding that can be used to further enhance facilities and future zero-emission actions. The project Improves Mobility and Accessibility by providing riders with onboard Wi-Fi and real-time communication displays for easier trip planning, while simultaneously Ensuring Public Safety through the deployment of a camera system that provides emergency responders with critical real-time interior visibility and enhanced surveillance coverage. Finally, these investments Support and Promote the Quality of Life and Local Economy by advancing digital equity and providing a high-quality, reliable transit alternative that aligns with the City's long-term environmental and mobility objectives.

ENVIRONMENTAL ANALYSIS:

The action proposed herein is not a project subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060(c)(2), 15060(c)(3), and 15378. The authorization to accept grant funding, execute budget reallocations, procure technology hardware for 17 zero-emission buses, install fleet-wide onboard communication and surveillance equipment, and deploy solar-powered bus stop arrival displays constitutes an organizational and administrative action. This action would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

The bus stop enhancements included in the proposed actions are categorically exempt from CEQA pursuant to California Code of Regulations, Title 14, Chapter 3, Article 19, Section 15301 Existing Facilities (Class 1). Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use. The proposed bus stop enhancements consist of minor alterations of existing bus stops which include installing solar-powered and battery-powered arrival displays. There would be no expansion of use of the bus stops as a result of the enhancements and there are no features that distinguish the proposed enhancements from other projects in the exempt class and, therefore, there are not unusual circumstances.

FISCAL IMPACT:

Acceptance of the Metro grant will add \$2,400,000 in new appropriations impacting four CIP projects, matching the grant amount, and allow Proposition A/C Local Funds to be transferred to three other transit projects. There are no impacts to the General Fund. The following table lists the recommended appropriation changes to each project:

Accept, Appropriate \$2,400,000 in Grant Funds, Increase Contract #31,918 by \$1,757,342

July 13, 2026

Page 6 of 8

Project Funding	Appropriated Funding	Changes	Revised Appropriation
CIP - 75085 Pasadena Transit Buses			
Carbon Reduction Program	\$ 2,500,000	\$ -	\$ 2,500,000
FTA 5310 Job Access and Reverse Commute Program Grant	\$ 862,830	\$ -	\$ 862,830
LA County Metro Authority (LACMTA) Local Transportation	\$ 4,546,716	\$ -	\$ 4,546,716
Metro Measure M Multiyear Subregional Program	\$ 14,332,868	\$ -	\$ 14,332,868
Metro Grant - Federal CMAQ Funds	\$ 1,055,950	\$ -	\$ 1,055,950
Metro ZEB Call for Projects	\$ 4,500,000	\$ 2,400,000	\$ 6,900,000
MTA Local Transit Funds (LTF)	\$ 1,364,577	\$ -	\$ 1,364,577
Private Capital	\$ 105,946	\$ -	\$ 105,946
Prop A/C Local Return Funds	\$ 8,531,762	\$ (1,225,034)	\$ 7,306,728
Prop C Local Transit Fund	\$ 381,697	\$ -	\$ 381,697
Transit Intercity Rail Capital Project (TIRCP)	\$ 6,306,838	\$ -	\$ 6,390,000
Volkswagen Mitigation Fund	\$ 6,720,000	\$ -	\$ 6,720,000
Total	\$ 51,209,184	\$ 1,174,966	\$ 52,467,312
CIP - 75930 ZEB Pasadena Dial-A-Ride			
FTA 5310 Enhanced Mobility of People with Disabilities	\$ 1,050,000	\$ -	\$ 1,050,000
MTA Grant - Local Transit System Subcommittee ZEB	\$ 500,000	\$ -	\$ 500,000
Transit and Intercity Rail Capital Program	\$ 392,000	\$ -	\$ 392,000
Low Carbon Transit Operations Program	\$ 376,258	\$ -	\$ 376,258
Prop A/C Local Return Funds	\$ -	\$ 379,122	\$ 379,122
Total	\$ 2,318,258	\$ 379,122	\$ 2,697,380
CIP - 75900 Bus Stop Improvement Program			
Foothill Transit Bus Stop Enhancement Grant	\$ 77,780	\$ -	\$ 77,780
Low Carbon Transit Operations Program	\$ 306,699	\$ -	\$ 306,699
Private Capital	\$ 36,559	\$ -	\$ 36,559
Prop A (Transit)	\$ 300,000	\$ -	\$ 300,000
Prop C Local Transit Fund	\$ 300,000	\$ -	\$ 300,000
Prop A/C Local Return Funds	\$ -	\$ 203,254	\$ 203,254
Total	\$ 1,021,038	\$ 203,254	\$ 1,224,292

Connexionz Contract Amendment

The total cost for this contract amendment, including contingency is \$1,757,342 for a new total not-to-exceed amount of \$3,155,951. Funding for this action will be addressed by utilization of existing and new budget appropriations as a result of the grant acceptance and appropriation adjustments. If not for the receipt of this grant, staff would have had to recommend utilizing additional Proposition A/C Local Return fund to absorb the Connexionz contract costs as the majority of the work is required for the fleet to operate, by council policy or provided a consistent passenger experience. By leveraging the grant to cover those vehicle cost increases, the City is able to redirect funding without drawing down further into more funds. The following table provides a detailed breakdown of the contract amendment cost allocations by project task:

Task	Cost
*17 New Zero-Emission TVIAS	\$ 732,779
*8 Pasadena Dial-A-Ride TVAIS	\$ 325,870
*Bus Stop E-Ink Displays	\$ 110,000
*Ongoing Maintenance Support	\$ 40,000
*Public Wifi/Onboard Route Communication Displays	\$ 274,770
Armor Cloud	\$ 114,165
Contingency	\$ 159,758
Total	\$ 1,757,342

*Required for operations, Council policy, or service consistency.

Proposition A/C Local Return Fund Balance

The remaining \$642,658 in unappropriated Proposition A/C Local Return funds will be returned to the Proposition A/C Local Return Fund Balance. These funds are intended and eligible to support the zero-emission transit fleet acquisitions and zero-emission supporting infrastructure. These funds are critical to ensure DOT remains fiscally prepared to meet future local matching requirements for subsequent zero-emission fleet transition phases.

Respectfully submitted,



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