

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 2/25/2026

Staff Report No. 26-075

TO: AC Transit Board of Directors
FROM: Salvador Llamas, General Manager/Chief Executive Officer
SUBJECT: Annual Report on the State of the District's Fleet

BRIEFING ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider receiving the annual report on the state of the District's Fleet.

Staff Contact:

Aaron Vogel, Chief Operating Officer

STRATEGIC IMPORTANCE:

Goal - Convenient and Reliable Service

Initiative - Service Quality

The annual report on the state of the District's Fleet provides an update of maintenance activities which are aligned and support the following Strategic Plan Goals and Initiatives: Safe and Secure Operations, Convenient and Reliable Service, High Performing Workforce, Environmental Improvement, Service Quality, and Zero Emission Programs.

BUDGETARY/FISCAL IMPACT:

There is no current direct fiscal impact related to this report.

BACKGROUND/RATIONALE:

This report provides an overview of the District's bus and non-revenue fleet maintenance programs and other support activities, including the following: age of the bus fleet and replacement schedules, zero-emission bus program, bus maintenance activities, quality assurance program, non-revenue vehicles, and contingency fleet vehicles. The report also includes compliance updates with the California Air Resources Board (CARB) Innovative Clean Transit (ICT) Regulation.

Bus Fleet Age and Replacement Schedules

During calendar year 2025, the District maintained 625 buses in the fleet. A total of 50 buses were decommissioned and replaced with 50 new buses. The average age of the active fleet increased from approximately 7.2 years in 2024 to 7.7 years in 2025. The following fleet changes occurred in 2025:

Decommissioned

39, 2009 Van Hool 30-foot Diesel

11, 2008 Van Hool 40-foot Diesel

New Buses

50, Gillig 40-foot Diesel

The District is scheduled to replace 9 older buses that are beyond the end of useful life with new buses during calendar year 2026 and 57 additional buses are on order:

- 9, New Flyer 60-foot Hydrogen (in final acceptance process)
- 10, Gillig 35-foot Battery Electric
- 47, New Flyer 40-foot Hydrogen

To achieve the District's Transit Asset Management (TAM) performance targets, the District must continue replacing buses that have exceeded the Federal Transit Administration's (FTA) end of useful life. At the end of 2025, the District had 107 buses exceeding the end of useful life. Considering the planned bus procurements for this year, the current projection for 2026 is that the District will have 163 buses beyond their useful life.

The District needs to prioritize funding to replace these older buses. Replacing them with new, cleaner diesel buses would cost approximately \$129 million, based on an estimated \$795,000 per bus. Transitioning instead to zero-emission buses (ZEBs) would require an additional \$106 million to \$143 million, depending on the technology selected, and does not include the cost of any infrastructure improvements necessary to support ZEB operations. To meet the District's TAM performance targets, replacement contracts will need to be secured for the aging bus fleets listed below:

- 2012 Gillig 40-foot Diesel (18)
- 2013 New Flyer 60-foot Diesel (23)
- 2014 Gillig 40-foot Diesel (54)
- 2014 Gillig 40-foot Diesel (68)

District staff will be working on grant applications to secure funding for buses listed above and award bus manufacture contracts by the end of 2026. Funding for buses is limited, so staff will prioritize based on the district's operational needs.

During calendar year 2025, the miles traveled by the bus fleet increased by 200,000 miles to approximately 20.6 million miles. An increase or decrease in miles traveled directly impacts the quantity and frequency of the maintenance program activities and operating costs.

Zero-Emission Bus Program

AC Transit ended December 2025 with 58 zero-emission buses in service comprised of 30 hydrogen fuel cell electric buses (FCEB) and 28 battery electric buses (BEB). ZEB technology fleets operate out of Emeryville (Division 2) and Oakland (Division 4). All hydrogen buses have been moved to Emeryville due to infrastructure

upgrades at the Oakland Division.

On June 25, 2025, the District released its Zero Emission Program Annual Progress Report, which is published annually. This report represents the second phase of reporting following the two-year Zero Emission Transit Bus Technology Analysis (ZETBTA) launched in 2020. The Zero Emission Program Annual Progress Report expands evaluation of ZEB technologies beyond the initial 5X5 control fleet and includes an overview of the District's ZEB Program capital investment to date, along with the financial forecast required to achieve a full fleet transition.

The infrastructure expansion at the Oakland Division, which would support an additional 25 BEBs, is currently on hold due to power grid limitations from Pacific Gas and Electric (PG&E). Capital Projects is exploring alternative solutions to address this issue. The construction for the new hydrogen fueling infrastructure at Oakland Division to accommodate up to 130 fuel cell buses is completed. The station will move into the next steps of commissioning, testing, and acceptance.

Additionally, Capital Projects developed plans to retrofit maintenance bays at the Emeryville and Oakland Divisions, as well as at the Central Maintenance Facility. The Training and Education Center (TEC) modernization project has moved into procurement phase and construction is expected to begin in the second quarter of 2026. Planning for the hydrogen fueling station at Hayward Division (Division 6) is also underway. The \$40.5 million FTA Bus and Bus Facilities and Low or No Emissions Grant funds awarded will support the modernization of the TEC, the development of mixed reality curriculum, and additional ZEB purchases.

Bus Maintenance Programs

Maintenance programs are designed to keep the fleet in a state of good repair, as required by the FTA, with a focus on safety, reliability, and cleanliness throughout the fleet's operational lifespan. Preventative maintenance inspections and scheduled maintenance tasks are the cornerstone of these programs. Each bus undergoes multiple scheduled maintenance activities to meet the Original Equipment Manufacturer (OEM) recommended intervals and to ensure safety and regulatory compliance. Preventative Maintenance Inspections (PMI) and Deep Cleaning are the core programs that support a safe, clean, and dependable fleet.

During PMI, mechanics identify parts or systems that require additional attention, and a corrective work order is generated to resolve any issues. Data from the Ellipse asset management system, PMI reports, road call failure analysis, and other performance metrics are used to launch several safety and reliability initiatives. Warranty and Quality Assurance campaigns generated 994 work orders. In total, the department completed 11,465 scheduled and 46,788 unscheduled work orders in 2025 for a total of 59,247 work orders for the year. Scheduled work orders are related to routine inspections and maintenance that are based on the manufacturer's maintenance schedule. Unscheduled work orders are identified from operator vehicle inspection cards, mechanic inspections or road failures.

The success of the maintenance efforts is reflected in the fleet's reliability, measured by miles between chargeable road calls (MBCRC). This metric tracks the distance a vehicle travels before encountering a chargeable road call, which occurs when a bus breaks down due to mechanical failure or other issues requiring repair and preventing the bus from completing the assigned route. In July 2025, the District raised the Key Performance Indicator (KPI) from 7,500 to 9,500. The District exceeded its KPI target eleven months, with an average of 9,830 MBCRC over the year, as shown in Attachment 1, Chart 1: Miles Between Chargeable Road

Calls.

Quality Assurance Program

The main goal of the Quality Assurance program is to set and promote benchmark standards that ensure a high-quality fleet. By improving maintenance programs and optimizing staff performance, the District can meet financial and operational goals, including maintaining a fleet that meets daily operational requirements and delivers reliable service. A robust Quality Assurance Program helps exceed both internal and external customer expectations. Additionally, the FTA mandates that the District have a quality program in place to foster continuous service improvement. AC Transit's Quality Assurance Program includes the following sub-programs:

- a) Bus Cleanliness Inspection (BCI)
- b) California Highway Patrol (CHP) Simulated Inspection
- c) Preventative Maintenance Inspection (PMI) Audit
- d) Oil Analysis Program
- e) Warranty Program

In 2025, Quality Assurance inspected 960 buses as part of the BCI program. The District's average score was 8.08 out of 10, indicating excellent cleanliness as shown in Attachment 1, Chart 2: Bus Cleanliness Scores. To maintain or improve this score, Maintenance continuously evaluates processes, cleanliness initiatives, and invests in employee training. The year ended successfully as all divisions achieved the goal in the month of December, which is commendable.

Quality Assurance conducts quarterly simulated inspections at each Division's transportation and maintenance locations. These inspections follow the California Highway Patrol (CHP) Motor Carrier Safety Unit Terminal Inspection guidelines, which evaluate the safety condition of buses, maintenance records, and transportation records to identify areas of compliance and areas needing improvement. Each Division is inspected annually by the CHP and issued a Transit Operator Safety Compliance Certificate and rating. For the 2025 calendar year, every Division received a "Satisfactory" rating, the highest possible rating issued by the CHP. These outstanding results reflect the professionalism, dedication, and attention to detail of the District's maintenance department and the broader support network that makes this work possible.

Currently there are 140 of 625 buses that contain warranty coverage in the revenue fleet. In 2025, the District processed 905 claims, recovering \$1.861 million. Over the past five years (2020-2025), the program successfully recovered \$8.414 million in warranty claims. Attachment 1, Chart 3: Bus Warranty Recovery shows annual warranty reimbursements.

This comprehensive approach to quality assurance ensures that the fleet remains in top condition, meeting both operational and customer expectations.

Non-Revenue Vehicles

During calendar year 2025, the non-revenue fleet was reduced by 11 vehicles as part of a maintenance cost-savings initiative. The Maintenance Department will continue to monitor and analyze usage data to determine whether additional reductions are warranted in 2026. The district currently has 135 non-revenue vehicles to support the entire operation, including on- street supervision, parts delivery, emergency road service

(response), facilities maintenance, equipment maintenance, bus stop maintenance, operator relief, mail delivery, meeting attendance, and other administrative functions. In compliance with Board Policy No. 438, Attachment 1, Chart 4: Non-Revenue List by Department and Attachment 1, Chart 5: Non-Revenue List of Assigned Take Home Vehicles are provided.

Staff presented the Zero Emission Non-Revenue Vehicle Transition Plan to the board on June 25, 2025. The approach for developing AC Transit's Zero Emission Non-Revenue Vehicle Transition Plan is based on state regulations, funding and technology availability, and the District's operational needs. Staff intends to maximize use of existing ZEB infrastructure to plan additional construction of Zero Emission Vehicle (ZEV) charging and fueling capability.

Contingency Fleet Vehicles

The change in service level has caused the District to have a higher-than-normal spare ratio in the bus fleet. In accordance with FTA policy, eligible surplus buses were placed into a Contingency Fleet. A Contingency Fleet consists of vehicles maintained in an active status for use during energy shortages, training needs, or other local emergencies. Attachment 1, Chart 6: Contingency Fleet by Type provides a summary total of all the buses currently placed in the contingency fleet. If the District increases service levels, contingency fleet vehicles will be placed back into revenue service.

CARB Compliance

The Innovative Clean Transit (ICT) Regulation was adopted in 2018 and took effect on October 1, 2019, replacing the previous Fleet Rule for Transit Agencies. This regulation mandates that all public transit agencies in California gradually transition their bus fleets to zero-emission technologies, aiming for a complete transition by 2040. It applies to any transit agency that owns, operates, or leases buses with a gross vehicle weight rating (GVWR) over 14,000 pounds, including standard, articulated, over-the-road, double-decker, and cutaway buses.

From the outset, compliance with the California Air Resources Board's (CARB) ICT regulation for public transit agencies has posed numerous challenges. The regulation faces significant hurdles due to inadequate funding, limited zero-emission bus (ZEB) manufacturers, and insufficient infrastructure. State and federal funding cuts include the removal of \$230 million for the Zero Emission Transit Capital Program and the rescission of \$1.2 billion for the ARCHES hydrogen hub. Infrastructure limitations, such as inadequate electrical grid capacity and underdeveloped hydrogen supply, further complicate compliance. These challenges have prompted public transit agencies to seek regulatory relief, including a proposed five-year extension to ICT requirements, while CARB's taskforce works to address funding, energy, and technical barriers. AC Transit staff are participating in and collaborating with multiple committees to develop the best options.

Additionally, the ICT regulation requires transit agencies to submit annual reports starting in 2021 (Title 13, CCR, Section 2023.8). To streamline the reporting process, the California Air Resources Board (CARB) developed the Innovative Clean Transit Reporting Tool (ICTRT). Reports must be submitted by March 31 each year from 2021 through 2050.

AC Transit submitted its 2025 ICT report to CARB and remains in compliance with the regulation. The District will submit its updated ICT report before the March 31, 2026, deadline.

In 2023, CARB introduced the Heavy-Duty and Maintenance (HD I/M) Regulation, known as the Clean Truck Check program, to identify and repair polluting, poorly maintained heavy-duty vehicles in California. While passenger vehicles and lighter trucks undergo regular emissions testing through the Bureau of Automotive Repair's Smog Check Program, this new regulation extends similar requirements to heavy-duty vehicles. The program begins with roadside emissions screening to identify high emitters, followed by follow-up testing and repairs if necessary. Full implementation will require periodic emissions testing for heavy-duty vehicles to reduce particulate matter (PM) and oxides of nitrogen (NOx), aiming to protect communities most affected by air pollution.

This regulation applies to nearly all diesel and alternative fuel heavy-duty trucks and buses over 14,000 pounds GVWR operating in California, including hybrids, commercial and government vehicles, as well as out-of-state vehicles. A group of Journey Level Mechanics at each division received training in this new process. AC Transit has submitted the required periodic testing documents to CARB for 2025 and is in compliance with the regulation.

ADVANTAGES/DISADVANTAGES:

This report does not recommend a course of action with notable advantages or disadvantages.

ALTERNATIVES ANALYSIS:

This report is being provided to inform the Board of the status of the District's fleet.

PRIOR RELEVANT BOARD ACTION/POLICIES:

None

ATTACHMENTS:

1. Supplemental Charts and Graphs CY2025

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