

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.6g.(3), Action Item

Prepared By: Jeffrey Wyly, Chief (Acting)
Division of Mass Transportation

Subject: **ALLOCATION AMENDMENT FOR A TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM COMPONENT**
RESOLUTION TIRCP-2627-02, AMENDING RESOLUTION TIRCP-2425-01

ISSUE:

Should the California Transportation Commission (Commission) approve an allocation amendment for the Transit and Intercity Rail Capital Program (TIRCP) (2022:21) Sonoma Regional Bus and Rail Connectivity Improvements (Purchase Electric Buses Phase – One) component (PPNO CP100), in Sonoma County, to rescind the full amount of \$1,010,000 from the Construction (CON) phase due to the cancellation of the third-party contract?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission approve an allocation amendment for the TIRCP (2022:21) Sonoma Regional Bus and Rail Connectivity Improvements (Purchase Electric Buses Phase – One) component (PPNO CP100), in Sonoma County, to rescind the full amount of \$1,010,000 from the CON phase due to the cancellation of the third-party contract.

BACKGROUND:

In January 2023, the Commission approved \$2,389,000 for the CON phase of the TIRCP (2022:21) Sonoma Regional Bus and Rail Connectivity Improvements (Purchase 10 Electric Buses) component (PPNO CP100), under Resolution TIRCP-2223-45. In late January 2023, Sonoma County Transit entered into a third-party contract with Proterra Operating Company, Inc. (Proterra) to deliver the ten battery electric buses. However, Proterra declared bankruptcy in August 2023 and was subsequently acquired by Phoenix Motorcars (Phoenix EV) in November 2023. This unexpected circumstance required Sonoma County Transit to revise its procurement strategy, opting to purchase five battery-electric buses from Phoenix EV

(formerly Proterra) and the other five buses from another vendor under component Purchase Electric Buses - Phase Two (PPNO CP100F).

In August 2024, an allocation amendment was approved to deallocate \$1,379,000 from the CON phase to reflect component savings, revise the project description, and revise the component name to Purchase 10 Electric Buses to Purchase Electric Buses Phase – One, under Resolution TIRCP-2425-01. The deallocated savings were used to create the new component Purchase Electric Buses – Phase Two (PPNO CP100F).

In July 2025, Phoenix EV met with Sonoma County Transit to discuss updated delivery dates that were well beyond the original contract timeline and a new requirement of progress payments that were not listed in the original contract. After several delivery date postponements and unacceptable pricing proposals, Sonoma County Transit submitted a Demand of Performance Assurances letter to Phoenix EV in March 2026. In April 2026, Sonoma County Transit received an email from Phoenix EV informing them that they had been on a company-wide furlough. Due to repeated delays and constraints, in June 2026, Sonoma County Transit submitted a letter to the Department informing them of the cancellation of the third-party contract and requesting a rescission of \$1,010,000 at the August 2026 Commission meeting. Therefore, Sonoma County Transit is requesting an allocation amendment to rescind the full amount of \$1,010,000 from the CON phase and reprogram the funds to Fiscal Year 2026-27 to be allocated at a future Commission meeting for the same component and phase.

The proposed changes are reflected in strikethrough and bold in the attached revised vote box.

FINANCIAL RESOLUTION:

Resolved, that the TIRCP (2022:21) Sonoma Regional Bus and Rail Connectivity Improvements (Purchase Electric Buses Phase - One) component (PPNO CP100), is hereby amended to rescind the full amount of \$1,010,000 from the CON phase due to the cancellation of the third-party contract, in accordance with the attached revised vote box.

Attachment

2.6 Mass Transportation Financial Matters

Project #	Project Title	PPNO Program/Year Phase	Budget Year Item #	Amount by Fund Type
Allocation Amount	Location	Prgm'd Amount Project ID	Fund Type	
Recipient	Project Description	Advantage Phase	Program Code	
RTPA/CTC		EA		
District-County				
2.6g.(3) Allocation Amendment - Transit and Intercity Rail Capital Program				Resolution TIRCP-2627-02
				Amending Resolution TIRCP-2425-01
1	(2022:21) Sonoma Regional Bus and Rail Connectivity Improvements	04-CP100	2021-22	
\$1,010,000	(Purchase Electric Buses Phase - One). Project includes the purchase of zero	TIRCP/22-23	301-0046R GGFR	\$606,000
\$0	emission buses and associated charging infrastructure and passenger amenities	CONST	30.20.301.100	\$0
Sonoma County Transit MTC 04-Sonoma	for Sonoma County Transit. Project replaces older diesel, diesel-hybrid, and CNG	\$606,000		
	buses with zero emission buses.	\$0	2021-22	
	This request is only for purchase of 5 electric buses.	TIRCP/22-23	101-0046 PTA	\$404,000
	<u>Outcome/Output:</u> Improved access to passenger rail and bus transit, increases	CONST	30.10.030.200	\$0
	ridership, hasten the transition to a fully zero-emission bus fleet, and better	\$404,000		
	integrate cross agency-operations.	\$0		
	CEQA -NOE-CE, 10/19/2022	0023000148		
		S		
	Sonoma County Transportation Authority is the Awardee and Sonoma County	T520GA		
	Transit is the Implementing Agency.			
<u>Amend Resolution TIRCP-2425-01 to rescind the full amount of \$1,010,000</u>				
<u>from the CON phase due to the cancellation of the third-party contract.</u>				