

PROCUREMENT SUMMARY

295 FORTY FOOT CNG TRANSIT BUS CONTRACT/OP28367-000 (Group A)

1.	Contract Number: OP28367-000	
2.	Recommended Vendor: ElDorado National (California), Inc.	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 07.29.16	
	B. Advertised/Publicized: 08.04.16; 08.08.16; 08.12.16; 08.15.16	
	C. Pre-Proposal Conference: 08.30.16	
	D. Proposals Due: 11.28.16	
	E. Pre-Qualification Completed: 05.26.17	
	F. Conflict of Interest Form Submitted to Ethics: 04.19.17	
	G. Protest Period End Date: 06.16.17	
5.	Solicitations Picked up/Downloaded: 63	Bids/Proposals Received: 3
6.	Contract Administrator: Elizabeth Hernandez	Telephone Number: (213) 922-7334
7.	Project Manager: John Drayton	Telephone Number: (213) 617-6285

A. Procurement Background

This Board Action is to approve Contract No. OP28367-000 issued in support of Metro's bus fleet replacement plan to procure new buses for replacement of 40' CNG buses that will reach the end of their useful life. Group A – 40' CNG bus buy base order consists of 295 buses, with Option orders of up to 305 additional buses for a total of 600 40' CNG buses. Board approval of contract awards are subject to resolution of any properly submitted protest.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit price.

Twenty two amendments (22) were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on 08.03.16, updated the required certifications;
- Amendment No. 2, issued on 08.08.16, provided revised Pre-Proposal Conference date and venue;
- Amendment No. 3, issued on 08.11.16, updated due dates for requests for approved equals and clarifications;
- Amendment No. 4, issued on 08.26.16, edited the submittal forms and technical specifications;
- Amendment No. 5, issued on 09.07.16, extended the proposal and clarifications requests due dates, edited submittal forms and technical specifications, and established a project data repository for plan holder access to RFP documents;

- Amendment No. 6, issued on 09.16.16, extended the proposal and clarifications requests due dates, edited submittal forms and technical specifications, and scheduled on site bus inspections for proposers;
- Amendment No. 7, issued on 09.30.16, edited pricing forms, technical specifications, and commercial terms and conditions;
- Amendment No. 8, issued on 10.14.16, edited pricing and clarification request forms, technical specifications, and commercial terms and conditions;
- Amendment No. 9, issued on 11.02.16, edited pricing forms, technical specifications, and commercial terms and conditions;
- Amendment No. 10, issued on 11.07.16, edited pricing forms, technical specifications, and commercial terms and conditions;
- Amendment No. 11, issued on 11.10.16, extended the due dates for Groups A and B, 40' and 60' CNG proposals, and edited commercial terms and conditions;
- Amendment No. 12, issued on 11.22.16, edited pricing and submittal forms;
- Amendment No. 13, issued on 12.12.16, extended the due dates for Groups C and D 40' and 60' zero emission bus proposals;
- Amendment No. 14, issued on 01.12.17, edited commercial terms and conditions for Group A;
- Amendment No. 15, issued on 01.13.17, extended the due dates for Groups C and D, 40' and 60' zero emission bus proposals;
- Amendment No. 16, issued on 01.26.17, extended the due dates for Groups C and D, 40' and 60' zero emission bus proposals.
- Amendment No. 17, issued on 01.31.17, edited pricing forms and technical specifications for Groups C and D, 40' and 60' zero emission bus proposals;
- Amendment No. 18, issued on 02.06.17, edited pricing forms for Groups C and D, 40' and 60' zero emission bus proposals;
- Amendment No. 19, issued on 02.10.17, solicited best and final offers (BAFO) from Group A proposers;
- Amendment No. 20, issued on 02.24.17, edited documents for Group A;
- Amendment No. 21, issued on 02.28.17, edited documents for Group A;
- Amendment No. 22, issued on 03.30.17, solicited BAFO from Group A proposers.

A pre-proposal conference was held on August 30, 2016. On-site bus inspections were scheduled on October 4, 5, and 6, 2016. A total of three proposals were received on November 28, 2016.

Questions received throughout the solicitation process and Metro's responses to those questions were made accessible to the RFP plan holders by posting them at Metro's project data repository. Nine sets of Questions and Answers were issued for a total of 754 questions and answers uploaded to the repository from August 12, 2016, to December 30, 2016. Proposers for Group A, 40' CNG buses requested, and Metro granted, several extensions changing the proposal due date from the initial date of September 30, 2016 to November 28, 2016.

The proposal evaluation period from November 29, 2016 through March 27, 2017, included reviews of the written proposals, clarifications requests and responses, oral presentations, proposers' manufacturing and engineering site visits, face-to-face and conference call discussions, and transit agency reference checks. These series of evaluation processes were necessary to assess and determine the proposers' strengths and weaknesses in their respective technical and price proposals.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro's Vehicle Technology and Acquisition, Maintenance, Operations, and Transportation was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

• Technical Compliance	400 points
• Price	300 points
• Project Management Experience	100 points
• Experience and Past Performance	100 points
• Life Cycle Costs	<u>100 points</u>
Sub-Total	1,000 points
• Voluntary Local Employment Program (Incentive Points)	<u>50 points</u>
Total Available Points	1,050 points

The evaluation criteria are appropriate and consistent with criteria developed for other, similar bus procurements. Several factors were considered when developing these weights, giving the greatest importance to the technical compliance of the proposed bus.

The Local Employment Program (LEP) is a FTA approved pilot for Metro's Rolling Stock procurements. The LEP allows for geographical preferences to be applied as part of Metro's evaluation scoring. The voluntary program provides proposers with incentive points for creating jobs in California.

All three proposals received were determined to be within the competitive range. The firms within the competitive range are listed below in alphabetical order:

1. EIDorado National (California), Inc. (ENC)
2. New Flyer of America, Inc. (NFA)
3. Nova Bus, a Division of Prevost Car (US) Inc. (Nova)

The PET began its review of the written technical proposals submitted by the three proposers on November 28, 2016. Based on the PET's initial review, written requests for clarification were sent to the three proposers and the appropriate responses were received and reviewed accordingly.

In January 2017, the PET scheduled site visits to each of the proposers' manufacturing and engineering facilities. The agenda for the site visits included facility/plant/site manufacturing process tour, in depth presentations and discussions by the Proposer's management, engineering and project key personnel on the following topics:

1. Technical Proposal – Detailed presentations of the proposed vehicle systems and sub-systems vis-à-vis Metro's technical specifications;
2. Project Management;
3. Experience and Past Performance;
4. Consolidated comments and discussions of the strengths, weaknesses, deficiencies, and risks in the technical Proposals as noted by the PET in the individual evaluations.

The PET was supported by Consultant Technical Advisors (TAs) with subject matter expertise relative to the review, evaluation, assessments, and recommendations for the Life Cycle Costs (LCC) and Local Employment Program (LEP) submittals. Each of the Proposers voluntarily participated in the LEP by committing to hire new local residents to support this contract.

A total of 389 Requests for Deviations were submitted by the Proposers for Metro's review and consideration. The deviations were discussed individually with the Proposers during negotiation discussions conducted in January through the first week of February.

The PET conducted telephone reference checks with prior clients of the three proposers. The reference check resources did not discuss any major issues of concern to the PET members.

All three proposers were determined by the PET to be in the competitive range and the invitation to submit their best and final offer was issued on February 10, 2017.

Best and Final Offer (BAFO)

Best and Final Offer (BAFO) submittals were received on March 6, 2017, and were reviewed and evaluated by the PET. All three BAFO submittals contained shortcomings or weaknesses in the Local Employment Program, technical requirements, or price. Upon review by Metro's PET Executive Oversight Committee, it was determined that Metro and the Proposers would all benefit from re-entering into discussions and issuing a second BAFO request. The second BAFO requests were issued on March 30, 2017, with a due date of April 7, 2017. The PET

reviewed the second BAFOs and prepared a recommendation for award memorandum on April 20, 2017.

Qualifications Summary of Firms within the Competitive Range:

EIDorado National (California), Inc. (ENC)

EIDorado National (California), Inc. (ENC), is a California corporation located in Riverside, California. ENC, a subsidiary of REV group, was established in 1975, and designs and manufactures low floor and standard floor medium and heavy-duty buses for public transit/paratransit, airport, parking and university transportation markets. ENC has delivered 40' CNG buses to Sonoma County Transit, Victor Valley Transit Authority, and City of Los Angeles Department of Transportation.

ENC's proposal ranked second in technical compliance and price, and third in life cycle costs, project management, and experience and past performance. ENC's Local Employment ranked highest in dollar value for jobs creation and facility capital investment.

Nova Bus, a Division of Prevost Car (US) Inc. (Nova)

Nova Bus is a wholly owned subsidiary of Volvo Bus Corporation, a world manufacturer of coaches and buses. Nova Bus is a division of Volvo Bus Corporation's Prevost Car (US), Inc.

Nova Bus has a vehicle structure plant in Saint-Francois-du-Lac, Quebec Canada, and a final assembly plant in Plattsburgh, New York. Nova proposed final assembly of LACMTA vehicles at their Plattsburgh facility.

Nova scored first in technical compliance, project management, and experience and past performance, third in price, second in life cycle costs, and third in local employment plan. Nova is ranked second overall among the three proposers.

New Flyer of America, Inc. (NFA)

NFA is a North Dakota corporation organized in October 1989 and is a wholly owned subsidiary of Transit Holdings, a holding company that owns New Flyer of America, Inc. and New Flyer Industries Canada ULC.

NFA proposed to build LACMTA bus orders in its St. Cloud, Minnesota and Ontario, California facilities. The St. Cloud plant is a production and finishing facility. The Ontario, California facility houses production, service and aftermarket parts.

NFA has delivered 40' CNG buses to transit agencies such as Washington Metropolitan Area Transit Authority (WMATA), Orange County Transit Authority (OCTA), Dallas Area Rapid Transit (DART), Massachusetts Bay Transit Authority

(MBTA), and Clark County Regional Transportation Commission, including LACMTA's 900 bus order.

NFA scored third in technical compliance, project management, and experience and past performance, second in price, first in life cycle costs, and second in local employment plan. NFA was ranked third overall among the Proposers.

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	Firm 1 – ENC				
3	Technical Compliance	80.64	400	322.55	
4	Price	97.43	300	292.28	
5	Project Management	72.55	100	72.55	
6	Experience and Past Performance	72.35	100	72.35	
7	Life Cycle Costs	89.48	100	89.48	
8	Local Employment Plan	100.00	50	50.00	
9	Total		1050	899.21	1
10	Firm 2 – Nova				
11	Technical Compliance	81.64	400	326.55	
12	Price	97.32	300	291.97	
13	Project Management	80.30	100	80.30	
14	Experience and Past Performance	77.90	100	77.90	
15	Life Cycle Costs	93.60	100	93.60	
16	Local Employment Plan	39.21	50	19.61	
17	Total		1050	889.93	2
18	Firm 3 – NFA				
19	Technical Compliance	71.16	400	284.65	
20	Price	100.00	300	300.00	
21	Project Management	76.65	100	76.65	
22	Experience and Past Performance	75.25	100	75.25	
23	Life Cycle Costs	100.00	100	100.00	
24	Local Employment Plan	72.81	50	36.40	
25	Total		1050	872.95	3

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon adequate price competition, an independent cost estimate (ICE), technical evaluation, technical evaluation, fact finding, and negotiations. The Base and Option vehicles are based on Firm Fixed Unit Rate prices. The Optional Vehicle Features are also based on Firm Fixed Prices for total Base Buy and Option Buy quantities.

	Proposer Name	Proposal Amount	Base Buy (295)	Option Buy (305)	Optional Features**	Negotiated or NTE amount
	Metro ICE*		\$169,625,000.00	\$175,375,000.00	\$19,045,275.64	Not Applicable
1.	ENC	\$421,840,739.08	\$199,067,747.90	\$205,721,544.10	\$10,082,988.65	\$414,872,280.66
2.	Nova	\$401,124,569.00	\$198,654,031.84	\$205,409,950.75	\$11,253,889.77	\$415,317,872.36
3.	NFA	\$376,016,808.51	\$188,967,503.05	\$195,129,436.39	\$20,102,229.35	\$404,199,168.79

*Note: Metro's estimated per unit cost of the vehicle is based upon the 900 bus order configuration that did not include the design requirement for electronically driven accessories. Metro is the first transit agency to require electronically driven accessories in a CNG bus configuration.

** \$4,500,000 of the ENC amount shown for Optional Features is for the Base Buy for a total contract price of \$203,567,748.

The PET determined that ENC's proposal provides the Best Value and is most advantageous to Metro. Price analysis shows that the negotiated amount for the recommended firm, ENC, is slightly lower than that from the second-highest overall rated firm, Nova, and \$10.67 million higher than the third-highest overall rated firm, NFA. ENC's proposal, from a Best Value perspective, offers Metro advantages in local job creation and price over Nova, and provides Metro with advantages in the local jobs program and the combined technical categories over NFA.

Local Employment Program

All three firms participated in Metro's voluntary Local Employment Program (LEP). This participation resulted in incentive points based on total proposed wages, benefits and training of new employees hired in California. The LEP also provides points for facility improvements made to facilities in California. The table below describes the commitment levels for all three Proposers for new local jobs and facility improvements. ENC received the most incentive points for new local jobs, training and facility improvements.

Proposers:	ENC	Nova	NFA
Total Local Employment, Facility and Training Investment	\$5,976,164	\$2,343,396	\$4,351,031

D. Background on Recommended Contractor

The recommended firm, EIDorado National (California), Inc. (ENC), located in Riverside, California, established in 1975, designs and manufactures low floor and standard floor medium and heavy-duty buses for public transit/paratransit, airport,

parking and university transportation markets. ENC's entire manufacturing operations, engineering, purchasing, warranty, publications and service support, as well as its financial and administrative offices are all located in its 226,869 square feet plant and facility in a 17-acre property in Riverside which became operational in April 2004. ENC has a current commitment to deliver 300 buses from November 1, 2016 to October 31, 2017. Its manufacturing facility has the capacity, and capability to support double its current production volume.

ENC is a subsidiary of REV group, a parent company of a 26 brands of vehicles that produce 20,000 vehicles per year for the bus, emergency, recreation and specialty markets. ENC anticipates REV's financial and human resources support with workforce, facilities and administration for this project.

ENC's proposed project lead and point of contact for this project has 28 years of experience with bus manufacturing in the United States transit industry, including project management and bid administration. ENC's proposed project team have years of experience in the transit/bus industry for engineering, quality control, production, testing, systems integration, and field/warranty support.