

## PROCUREMENT SUMMARY

THIRTY-FIVE 60 FOOT ZERO EMISSION TRANSIT BUS CONTRACT  
/OP28367-001 (Group D)

1.	<b>Contract Number:</b> OP28367-001	
2.	<b>Recommended Vendor:</b> New Flyer of America, Inc.	
3.	<b>Type of Procurement (check one):</b> <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.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> 07.29.16	
	<b>B. Advertised/Publicized:</b> 08.04.16; 08.08.16; 08.12.16; 08.15.16	
	<b>C. Pre-Proposal Conference:</b> 08.30.16	
	<b>D. Proposals Due:</b> 02.10.17	
	<b>E. Pre-Qualification Completed:</b> 06.05.17	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> 05.26.17	
	<b>G. Protest Period End Date:</b> 06.16.17	
5.	<b>Solicitations Picked up/Downloaded:</b> 63	<b>Bids/Proposals Received:</b> 2
6.	<b>Contract Administrator:</b> Elizabeth Hernandez	<b>Telephone Number:</b> (213) 922-7334
7.	<b>Project Manager:</b> John Drayton	<b>Telephone Number:</b> (213) 617-6285

**A. Procurement Background**

This Board Action is to approve Contract No. OP28367-001 issued in support of Metro's bus fleet replacement plan to procure new 60' Zero Emission (ZE) buses for the replacement of retirement-eligible 60' CNG buses currently operating on the Orange Line. The RFP solicitation Group D – 60' ZE bus Base Buy consists of 35 ZE buses, with Option orders of up to 65 additional buses for a total of 100 60' ZE 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 six amendments (26) 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.
- Amendment No. 23, issued on 05.05.17, solicited BAFO from Group D proposers.
- Amendment No. 24, issued on 05.05.17, edited documents for Group B proposers.
- Amendment No. 25, issued on 05.09.17, solicited conforming offer for Group B proposers.
- Amendment No. 26, issued on 05.10.17, edited documents for BAFO from Group D proposers.

A pre-proposal conference was held on August 30, 2016. On-site bus inspections were performed on October 4, 5, and 6, 2016. A total of two proposals were received on February 10, 2017.

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 D 60' ZE buses requested, and Metro granted, several extensions changing the proposal due date from the initial date of December 2, 2016 to February 10, 2017.

The proposal evaluation period, from February 13, 2017 through May 26, 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, and Operations 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. The voluntary LEP may not be used as a basis for award.

Both Proposers are listed below in alphabetical order:

1. BYD Coach & Bus, LLC (BYD)
2. New Flyer of America Inc. (NFA)

The PET began its review of the written technical proposals submitted by the two proposers on February 13, 2016. Based on the PET's initial review, 164 written requests for clarification were sent to the two proposers and the appropriate responses were received and reviewed accordingly.

In April 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. The TAs comments and findings on the strengths, weaknesses, and deficiencies in the proposed Local Employment Plan were discussed with the respective Proposers. BYD voluntarily participated in the LEP by committing to hire new local residents to support this contract and capital investment in facility upgrades and expansion and received the maximum preferential scoring points. For this bus type (Group D 60' ZE), NFA elected not to submit a Local Employment Plan and received no preferential scoring points. NFA has the existing workforce and facility capabilities in place to manufacture this quantity of buses without any expansion to its local workforce in Ontario, CA.

A total of 93 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 through the third week of April.

The PET determined both Proposers to be in the competitive range and the invitation to submit their best and final offer was issued on May 5, 2017. Resolution

of acceptable and unacceptable deviations necessitated that Best and Final Offers be submitted by the Proposers.

### **Best and Final Offer (BAFO)**

Best and Final Offer (BAFO) submittals were received on May 17, 2017, and were reviewed and evaluated by the PET. The PET reviewed the BAFOs and prepared a recommendation for award memorandum on May 24, 2017.

### **Qualifications Summary of Firms within the Competitive Range:**

#### **BYD Coach & Bus, LLC**

BYD Coach & Bus, LLC is a bus and coaches manufacturing division under BYD Heavy Industries which has been open at its current location in Lancaster, California since 2013 and proposes to build LACMTA bus orders at this facility. The parent company is BYD Motors, Inc. with corporate offices located in downtown Los Angeles. BYD has globally supplied fully electric and plug in hybrid vehicles. BYD has been awarded contracts to provide 60' ZE vehicles by the City of Albuquerque, IndyGo and LACMTA.

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

#### **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 proposes 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's transit agency clients include Boston, Orange County, San Francisco, Dallas and Washington.

NFA scored first in technical compliance, project management, and experience and past performance, second in price and life cycle costs. NFA did not offer to participate in the voluntary Local Employment Program for the 60' ZE bus Group D due to the low production quantity and received no preferential scoring points.

NFA was ranked first overall between the two Proposers primarily on the strength of its superior technical proposal in the areas of Technical Compliance, Project Management and Experience and Past Performance.

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>Firm 1 – BYD</b>				
3	Technical Compliance	60.66	400	242.63	
4	Price	100.00	300	300.00	
5	Project Management	61.50	100	61.50	
6	Experience and Past Performance	44.25	100	44.25	
7	Life Cycle Costs	100.00	100	100.00	
8	Local Employment Plan	100.00	50	50.00	
9	Total		<b>1050</b>	<b>798.38</b>	<b>2</b>
10	<b>Firm 2 – NFA</b>				
11	Technical Compliance	76.20	400	304.81	
12	Price	93.5	300	280.50	
13	Project Management	79.90	100	79.90	
14	Experience and Past Performance	74.63	100	74.63	
15	Life Cycle Costs	93.60	100	95.80	
16	Local Employment Plan	0.00	50	0.00	
17	<b>Total</b>		<b>1050</b>	<b>835.64</b>	<b>1</b>

### 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, 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. There is no obligation to purchase any Option buses. Option vehicles may be ordered in minimum increments of 10 buses.

	Proposer Name	Initial Proposal Amount ***	Base Buy (35)	Option Buy (65)	Optional Features (Base & Option)	Negotiated or NTE amount (BAFO)
	Metro ICE*		\$42,000,000.00	\$78,000,000.00	N/A	\$120,000,000
1.	BYD	\$122,912,239	\$48,967,928	\$89,491,292	\$11,826,827**	\$150,286,047

2.	NFA	\$125,413,592	\$51,211,033	\$94,726,013	\$14,707,828**	\$160,644,874
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\*Note: Metro's estimate did not include pricing for Optional Features or enroute/opportunity and shop chargers.

\*\* Pricing Form for Optional Vehicle Configuration included items for alternative ADA securements, APC, enhanced camera systems, USB, wireless stops, spares, special tools, DTE, training aids, etc. The recommended value for the Base Optional Features is \$8,839,064.

\*\*\* Initial pricing did not include all necessary charging equipment.

The PET determined that when considering price and non-price factors, NFA's proposal provides the Best Value and is most advantageous to Metro. Price analysis shows that the negotiated amount for the recommended firm, NFA, is \$10 million higher than the price negotiated with BYD. NFA's higher priced proposal, from a Best Value perspective, offers advantages in the areas of technical compliance, project management, and experience and past performance evaluation categories. NFA's higher proposed price is offset by offering a more service-proven bus design, structure, door system, and powerplant, in addition to its proven project management experience and past performance exhibited on the latest Metro bus contract successfully completed in 2016.

**Local Employment Program**

BYD participated in Metro's **voluntary** Local Employment Program (LEP). This participation resulted in maximum 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 BYD for new local jobs and facility improvements. BYD received the maximum 50 incentive points for new local jobs, training and facility improvements.

NFA chose not to participate in Metro's voluntary LEP, proposing to fulfill this Group D requirement with existing workers in St. Cloud, MN and Ontario, CA, and received no preferential scoring points.

Proposers:	BYD
Total Local Employment, Facility and Training Investment	\$13,716,747

**D. Background on Recommended Contractor**

The recommended firm, New Flyer of America Inc. (NFA), is a corporation organized in North Dakota, and is a wholly owned subsidiary of Transit Holdings. NFA is the US operating company in the New Flyer group of companies, and manufactures and sells New Flyer transit buses to U.S. customers.

NFA proposes to support the Metro project with existing workforce in production, manufacturing, engineering, quality assurance and warranty services from its locations in Winnipeg, Canada, St. Cloud, Minnesota and Ontario, California. NFA will build Metro buses from the St. Cloud and Ontario facilities. The 380,000 square foot St. Cloud facility opened in 1999 and has two production lines for full production

and finishing processes. The 100,000 square foot service center Ontario facility will include a production team for finishing and delivery of the buses, field service support for warranty and retrofit activities, and a team for aftermarket parts and materials. NFA recently completed delivery of the 900 40'CNG bus buy to Metro.

NFA's proposed a dedicated Customer Project Manager and primary point of contact for this project who previously worked with Metro staff for the 900 bus buy. NFA's proposed project team has combined extensive years of experience in the transit/bus industry for engineering, manufacturing, quality control, production, testing, systems integration, and field/warranty support delivering buses to major transit agencies such as Boston, New York, Washington, D.C. and Dallas.