

PROCUREMENT SUMMARY

SIXTY 40-FOOT ZERO EMISSION TRANSIT BUS CONTRACT /
OP28367-002 (Group C)

1.	Contract Number: OP28367-002	
2.	Recommended Vendor: BYD Coach & Bus, LLC (BYD)	
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: 02.10.17	
	E. Pre-Qualification Completed: July 12, 2017	
	F. Conflict of Interest Form Submitted to Ethics: 07.03.17	
	G. Protest Period End Date: 07.28.17	
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. OP28367-002 issued in support of Metro's bus fleet replacement plan to procure new 40' Zero Emission (ZE) buses for the replacement of retirement eligible CNG buses, and for the initial deployment of related charging equipment on the Metro Silver Line (MSL) right-of-way, Metro Division 9 in El Monte and Metro Division 18 in Carson. The RFP solicitation Group C – 40' ZE bus Base Buy consists of 60 base buy ZE buses, with option orders of up to 40 additional buses for a total of 100 40' 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.

Thirty amendments (30) 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 proposer;
- Amendment No. 26, issued on 05.10.17, edited documents for BAFO from Group D proposers;
- Amendment No. 27, issued 05.11.17, edited due date for submittal for Group B proposer;

- Amendment No. 28, issued 06.02.17, edited documents for Group C proposers;
- Amendment No. 29, issued 06.07.17, solicited BAFO from Group C proposers;
- Amendment No. 30, issued 06.13.17, edited documents for BAFO from Group C 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 three proposals were received for Group C 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 C 40’ 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 July, 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. Participation in the voluntary program is not a condition for award.

Proposers are listed below in alphabetical order:

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

The PET began its review of the written technical proposals submitted by the three proposers on February 13, 2017. On or about March 13, 2017, based on the PET's initial review, clarification request letters were issued to proposers regarding the proposal submittals. In addition, 167 clarifications on technical submittals for Group C were sent to the proposers and the appropriate responses were received and reviewed accordingly.

As part of the evaluation process the PET conducted site visits of all three proposers in April and May 2017. The agenda for the site visits included facility/plant/site manufacturing process tour. All three proposers provided 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. All three proposers presented Local Employment Plans.

A total of 88 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 May and June 2017.

The PET determined all Proposers to be in the competitive range and the invitation to submit their best and final offer was issued on June 7, 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 June 21, 2017, and were reviewed and evaluated by the PET. The PET reviewed the BAFOs and prepared a recommendation for award memorandum on July 10, 2017.

Qualifications Summary of Firms within the Competitive Range:

BYD Coach & Bus, LLC

BYD Coach & Bus, LLC is a bus and coach manufacturing division under BYD Heavy Industries which has been open at its current location in Lancaster, California since 2013. BYD proposes to build LACMTA bus orders at the Lancaster facility. The U.S. 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 delivered ZE buses to various transit agencies that include Albuquerque, IndyGo, LANE Transit, Tri-Delta, AVTA, Long Beach, Sunline, Soltrans, G-Trans, and LACMTA.

BYD's proposal ranked second in technical compliance and life cycle costs, and third in project management, and experience and past performance. BYD is ranked first in price and ranked first in dollar value for jobs creation and facility capital investment for the Local Employment Plan. BYD was ranked first overall among the 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 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 plant houses production, service and aftermarket parts. NFA's transit agency clients include several cities in Canada and the United States that include WMATA, San Francisco Muni, Maryland Transit, OCTA, MBTA, NYCTA, Foothill Transit and LACMTA.

NFA scored third in technical compliance, second in project management, and first in experience and past performance. NFA is ranked second in price and first in life cycle costs. NFA did not receive any incentive points for its Local Employment Plan due to a deficient Local Employment Plan submittal that was deemed non-responsive. NFA was ranked third overall among the Proposers.

Proterra Inc. (Proterra)

Proterra is a privately held corporation founded in 2004. Proterra currently operates out of three facilities:

1. Burlingame, California - corporate headquarter and Advanced Battery Research and Design Center and Battery Manufacturing facility;
2. City of Industry, Los Angeles, California - West Coast manufacturing facility; and
3. Greenville, South Carolina - East Coast manufacturing facility, vehicle engineering headquarters, and on route charging equipment manufacturing facility.

Proterra builds and manufactures electric buses only. Its transit agency clients include SEPTA, Foothill Transit, RTC Washoe County (Reno), Tri Delta Transit, King County Metro, Santa Clara Valley Transportation Authority, Dallas Area Rapid Transit, San Antonio VIA Metropolitan Transit, and New York City MTA.

Proterra was ranked first in Technical Compliance and Project Management criteria. It ranked second in Experience and Past Performance. Proterra scored third in price and life cycle cost. Proterra did not receive any incentive points for its Local Employment Plan due to a deficient Local Employment Plan that was deemed non-responsive. Proterra was ranked second overall among the Proposers.

1	Firm	Average Score*	Factor Weight	Weighted Average Score	Rank
2	Firm 1 - BYD				
3	Technical Compliance	68.45	400	273.81	
4	Price	100.00	300	300.00	
5	Project Management	61.69	100	61.69	
6	Experience and Past Performance	50.88	100	50.88	
7	Life Cycle Costs	95.62	100	95.62	
8	Local Employment Plan	100.00	50	50.00	
9	Total		1050	832.00	1
10	Firm 2 - NFA				
11	Technical Compliance	68.33	400	273.32	
12	Price	83.85	300	251.55	
13	Project Management	76.75	100	76.75	
14	Experience and Past Performance	71.81	100	71.81	
15	Life Cycle Costs	100.00	100	100.00	
16	Local Employment Plan	0.00	50	0.00	
17	Total		1050	773.43	3
18	Firm 3 - Proterra				
19	Technical Compliance	84.53	400	338.12	
20	Price	78.92	300	236.76	
21	Project Management	76.88	100	76.88	
22	Experience and Past Performance	70.38	100	70.38	
23	Life Cycle Costs	87.26	100	87.26	
24	Local Employment Plan	0.00	50	0.00	
25	Total		1050	809.40	2

* Average score rounded to the nearest the 1/100th.

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 Unit 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 (60)**	Option Buy (40)**	Optional Features***	Negotiated or NTE amount (BAFO)
	Metro ICE*	N/A	\$45,000,000.00	\$30,000,000.00	N/A	\$75,000,000.00
1.	BYD	\$79,371,550.21	\$44,967,873.91	\$30,052,078.53	\$2,806,849.10	\$77,826,801.54
2.	NFA	\$84,453,143.66	\$53,230,780.79	\$33,294,572.42	\$6,289,375.14	\$92,814,728.35
3	Proterra	\$80,612,800.00	\$57,331,254.65	\$37,919,918.10	\$3,361,697.04	\$98,612,869.79

*Note: Metro's estimate for unit pricing of \$750,000 per bus did not include pricing for Optional Features or enroute/opportunity and shop chargers.

** Initial solicitation was for 5 base buy and up to 95 option buses. BAFO solicited for 60 base buy and 40 option buses.

*** 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 PET determined that BYD's proposal provides the Best Value and is most advantageous to Metro. Price analysis shows that BYD's price is \$21 million lower than the second highest overall rated firm, Proterra, and 15 million lower than the third overall rated firm, NFA. BYD's proposal, from a Best Value perspective, offers Metro advantages in Price and local job creation over Proterra and NFA.

Local Employment Program

All three firms submitted proposals for Metro's voluntary Local Employment Program (LEP). This participation is intended to provide incentive points based on total proposed wages, benefits and training of new employees hired in California and also provides points for facility improvements made to facilities in California.

BYD was awarded the full 50 incentive points based on its total commitment of \$8,412,530 in proposed wages, benefits and training of new employees hired in California and facility improvements in its facility in Lancaster, California. The LEP submitted by NFA and Proterra were found to be non-responsive and were not awarded any incentive points.

The table below describes the commitment level for all BYD for new local jobs and facility improvements.

Proposer:	BYD
Total Local Employment, Facility and Training Investment	\$8,412,530

D. Background on Recommended Contractor

The recommended firm, BYD Coach & Bus, LLC (BYD), is a bus manufacturing division under BYD Heavy Industries. BYD opened its North American electric bus manufacturing facility in Lancaster, California in May 2013. BYD proposes to build the LACMTA buses under this Contract at the Lancaster location. BYD is currently conducting a three phase planned major expansion of its manufacturing facility in

Lancaster to increase production capability of the plant. BYD provided five 40' zero emission buses to LACMTA in a prior contract. BYD proposes a bus powered with its self-developed lithium iron phosphate battery.