



Board Report

File #: 2016-0182, File Type: Contract

Agenda Number: 29

REVISED
SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
APRIL 14, 2016

SUBJECT: NEW BUS PROCUREMENTS 2018-2022

ACTION: INITIATE PROCUREMENTS FOR BUS REPLACEMENT

RECOMMENDATION

CONSIDER finding that a new procurement of 60' advanced transit buses under Public Utilities Code (PUC) §130232 low bid requirement does not constitute a procurement method adequate for LACMTA's needs. The Board, pursuant to Public Contract Code (PCC) §20217, hereby directs the **procurement of up to four hundred (400) new 60' advanced transit buses in a procurement by competitive negotiation.**

(REQUIRES TWO-THIRDS VOTE)

ISSUE

Metro's bus fleet replacement plan anticipates that over the next five years up to 400 articulated buses will reach the end of their useful life. The buses being retired will be in excess of 14 years old.

This Board's finding and direction allows staff to issue a new procurement for up to four hundred (400) new replacement 60' transit buses utilizing a competitively negotiated process in accordance with PCC § 20217. PCC § 20217 provides the Board with statutory authority to award contracts for the purchase of buses by competitive negotiation when a low bid (IFB) approach is not adequate for the agency's needs.

DISCUSSION

It is in the public's and Metro's best interest to utilize the Best Value competitive negotiation method rather than a sealed bid process to consider factors other than price in the award of contracts for vehicles as allowed under PCC § 20217. The competitive negotiation process allows consideration of factors other than price that could not be adequately quantified or considered in low bid procurement.

By establishing explicit factors that identify Metro's definition of Best Value, the solicitation can use important evaluation criteria to augment price considerations such as past performance related to

schedule adherence, quality, reliability, maintainability and vehicle performance.

In April 2015, Metro's Board approved a negotiated procurement for up to 600 40' buses using similar evaluation criteria. To achieve favorable economies of scale, staff is planning on consolidating the 40' and 60' bus requirements into a single RFP for release in the summer of 2016.

The Best Value competitive negotiation process will consider such factors as:

- Past performance
- Experience & Expertise of Project Team
- Broadest possible range of competing products and materials available
- Best fit for Metro operating requirements
- Comply with updated FTA Buy America Rules
- ~~Scoring preference for enhanced US Content~~
- Scoring preference for new local job creation
- Manufacturer's warranty
- Consideration of Performance, Reliability, Safety and Maintainability
- Consideration of Operator Ergonomics and Operator/Machine Interface
- Standardization of life cycle costs
- Delivery schedules
- Support logistics
- Innovation and creativity
- Small business mentor protégé program, as applicable
- Other similar factors in addition to price in the award of the contracts

In addition to the ability to evaluate key technical and schedule factors, the Best Value Request for Proposal process permits direct discussions and negotiations with Proposers to clarify the requirements, evaluate the performance and reliability of proposed components, consider warranty factors, delivery schedule, and cost prior to an award recommendation. This process minimizes the risks associated with a complex specification and scope of work by allowing the parties to clarify ambiguities and correct deficiencies prior to awarding a contract.

Staff will ensure that proposers commit to meeting the updated U.S. Buy America requirements as mandated by the Federal Transit Administration (FTA), once those new rules are formalized by FTA. Staff recommends removing the scoring preference from the RFP because the new Buy America domestic content requirements of 65% in FY17 and FY18, and 70% in FY19. A preferential scoring incentive in the RFP would have limited added value.

~~Staff will apply explicit scoring preferences for Proposers that commit to U.S. content greater than the 60% of the cost of all components in a rolling stock procurement mandated under federal Buy America requirements. The preference is authorized under California law enacted January 1, 2012, and is consistent with Federal Transit Administration (FTA) current written guidance encouraging grantees to create ways to generate jobs in this manufacturing area.~~

In September 2015 the Federal Transit Administration (FTA) granted Metro approval of a Local Hiring Program on the 40' 600 bus procurement as a Department of Transportation pilot initiative. The

Local Hiring Program allows Metro, on a pilot basis only, to create evaluation scoring preferences for proposers that commit to hiring State of California residents as new employees that work directly on the awarded contract. This pilot program has been applied to three other rolling stock projects, the new Heavy Rail Car, A650 Red Line Car Overhaul and P2000 Light Rail Overhaul procurements. The Local Hiring Program will provide incentive points to those proposers that generate new jobs and invest in manufacturing, assembly and warranty support facilities within California. The key measurement for obtaining preferential points will be aggregate wages and benefits for new California workers and investment on new or retrofit on facilities.

In order to combine the Local Hiring Program requirements for the 40' and 60' vehicles into a single RFP, staff intends to obtain clarification from the FTA that its approval to implement the pilot local jobs program may also be applied to 60' vehicles. In the meantime the solicitation will include the Local Hiring Program for both 40' and 60' vehicles while Metro obtains FTA concurrence.

DETERMINATION OF SAFETY IMPACT

New buses incorporate the latest safety systems and features that should help improve both passenger and pedestrian safety. Some of the safety enhancements that may be included on new buses: improved ADA securement provisions and self-leveling ADA boarding ramps; improved vehicle monitoring; pedestrian warning systems; curbside cornering lights; operator safety barriers and video monitors; real-time video security system accessibility; and improved passenger door sensors.

FINANCIAL IMPACT

Funds required to issue procurements for both 40' and 60' buses are included in the FY17 budget in projects 201057 (40' buses), 201073 (60' buses) and 306002, Cost Center 3320 Vehicle Technology. Once this solicitation is complete, staff will return to the Board to authorize the contract award(s) and to establish life-of-project budgets for these buses.

Funding for these buses is included in Metro's adopted Long Range Plan and Ten Year Financial Forecasts. The final decision and commitment to buy buses will be made after the solicitation is complete and the total cost for buses is known. If this action is approved, funding for this procurement would be identified and committed as part of the annual update of the FY18-22 Capital Program and Ten Year Forecast. These forecasts currently have \$660.3 million programmed for anticipated bus replacement and acquisitions during this period. Since these procurements will be multi-year contracts, the Chief Operations Officer and Project Manager will be responsible to ensure that these procurements are properly funded in future fiscal year budgets.

ALTERNATIVES CONSIDERED

Running buses past the end of their design life was considered. This alternative is not recommended because it will require additional investment in replacing expired CNG tanks. Extending vehicle life also adversely impacts fleet reliability and diminishes the quality of service provided to Metro's passengers.

Procurement by a low bid process was also considered, but is not recommended. The competitively negotiated procurement process provides for consideration of critical non-price related evaluation factors in the selection process. The sealed bid process does not adequately account for any technical superiority of performance, reliability, or system life cycle costs that one firm's equipment or solution may have over another since the process must award to the lowest responsive and responsible bidder.

NEXT STEPS

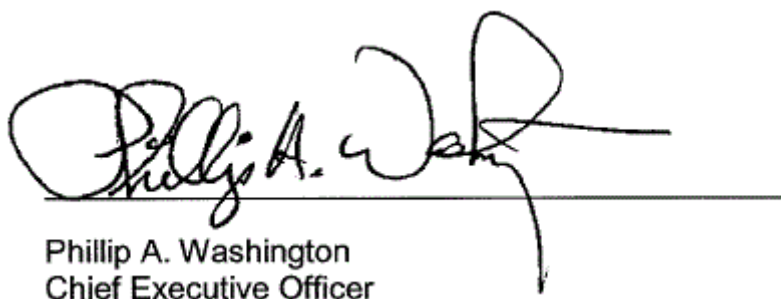
If this item is approved, Metro will initiate a competitive solicitation for 40' and 60' buses, and a new bus contract will be issued for new buses to be delivered starting in FY18.

ATTACHMENTS

Attachment A - Bus Replacement Schedule FY2018 - 2022

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