



Board Report

File #: 2016-0988, File Type: Contract

Agenda Number: 42.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE JUNE 15, 2017

SUBJECT: 295 FORTY FOOT CNG TRANSIT BUS CONTRACT

ACTION: AWARD CONTRACT FOR REPLACEMENT TRANSIT BUSES

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award a firm fixed-price contract, Contract No. OP28367-000 - Part A, to El Dorado National-California, Inc. (ENC) of Riverside, CA, for the manufacture and delivery of 295 40' CNG transit buses, in the amount of \$199,067,748 for the base contract, including taxes and delivery; exclusive of contract options, subject to resolution of any properly submitted protest.
- B. AUTHORIZING the CEO to award an additional not-to-exceed amount of \$4,500,000 for Optional Vehicle Features, Spare Parts, and Training Aids for a total combined contract amount not-to-exceed \$203,567,748.
- C. ESTABLISHING a life-of-project budget of \$207,567,748, for the 295 40' CNG buses under project no. CP 201057.
- D. FINDING that the award to ENC, Inc. is made to the Proposer that provides the agency with the best value and is most advantageous to Metro. The recommended price addresses all contract requirements and represents the best overall value when all RFP evaluation factors are considered, including advantages in the Local Employment Program incentives.

ISSUE

Between FY18-FY22, Metro will require up to 600 40' buses to replace existing 40' CNG buses reaching the end of their useful life during this period. This action authorizes the award of a base contract for 295 40' buses to ENC for the replacement of 295 existing 40' CNG buses that have passed the end of their useful life and are slated for retirement.

DISCUSSION

In April 2016, Metro's Board of Directors authorized staff to initiate RFP OP28367 for the

procurement of up to 1,000 CNG or Zero Emission Transit Buses. RFP OP28367 was issued in July 2016. There are four parts to the RFP, one for each of four vehicle types:

- Part A, 40' CNG buses;
- Part B, 60' CNG buses;
- Part C, 40' Zero Emission buses; and
- Part D, 60' Zero Emission buses.

This recommended Board action pertains solely to Part A, 40' CNG buses.

This bus procurement is part of Metro's bus fleet replacement plans for FY18 - 22. During this period, Metro will be replacing 40' buses that were purchased between 2000 and 2005 and are past FTA's recommended minimum threshold of 500,000 miles or 12 years in revenue service.

Staff will return later this year with award recommendations for the other three parts of this solicitation. Staff prioritized the solicitation review of Part A as these 40' CNG buses are needed as soon as possible to replace 40' CNG buses that have reached the end of their service life and are experiencing declining reliability and availability due to their advancing age.

For this contract procurement, Metro used a "Best Value" competitive negotiation process which considered factors such as:

- Broadest possible range of competing products and materials available
- Fitness for purpose
- Scoring preference for voluntary participation in Metro's Local Employment Program
- Manufacturer's warranty
- Performance and Reliability
- Life Cycle Costs
- Delivery Schedules
- Support logistics

Utilization of a "Best Value" solicitation process for this procurement identified the 40' CNG bus most suited to Metro's operating needs by permitting discussions with proposers to evaluate performance and reliability of the proposed components, warranty, cost data and delivery schedule.

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 new jobs in California. The proposed awardee ENC committed to creating 36 new FTEs with wages, benefits, and facility improvements totaling \$5.9 million.

DETERMINATION OF SAFETY IMPACT

There will be anticipated safety improvements for operating these new CNG buses in Metro's bus fleet. These buses will also incorporate the latest safety features and designs, including improved ADA amenities and boarding ramps. New buses will provide a safer, cleaner operating environment for Metro's passengers and employees.

FINANCIAL IMPACT

Total LOP funding of \$207,567,748 is included in Cost Center 3320 - Vehicle Technology, in project 201057. For FY18, there is \$1.38 million programmed to cover expenses for purchasing these buses. Because this is a multi-year contract, the Cost Center Manager will be responsible for ensuring that future year funding is programmed. In addition to the direct contract award, \$4.5 million in funding has been included in the contract award recommendation amount to cover costs for optional equipment, including upgraded passenger counters, stop request buttons and USB passenger charging ports, as well as spare parts, diagnostic test equipment, and training aids.

Impact to Budget

Future funding for this procurement may come from various Federal, State and local funding sources including financing options that are eligible for Bus Capital Projects. Staff will pursue all sources of funding maximizing their use for these activities.

ALTERNATIVES CONSIDERED

Staff considered purchasing exclusively 40' Zero Emission Buses (ZEB's). This is not recommended at this time as a service-proven ZEB program has not been identified that can effectively cover the broad scope of Metro's operational needs without impacting service. Due to charging requirements and range limitations, battery electric ZEB's are not currently capable of replacing CNG buses on a 1:1 basis. Additionally, significant electrification for Metro's operating lines and facilities would first have to be completed to support operation of a 295 electric bus fleet.

Staff also considered replacing CNG fuel tanks on buses that are slated for retirement to extend their service life. This is not recommended as operating CNG buses that are past the end of their useful life will result in degraded quality of service, reduced fleet reliability, and increased operating and maintenance costs. The costs to return retirement eligible CNG buses back to "Service Ready" condition is significant, often \$150,000-\$200,000 per bus.

NEXT STEPS

Upon Board approval, staff will execute the contract with ENC and issue a Notice to Proceed.

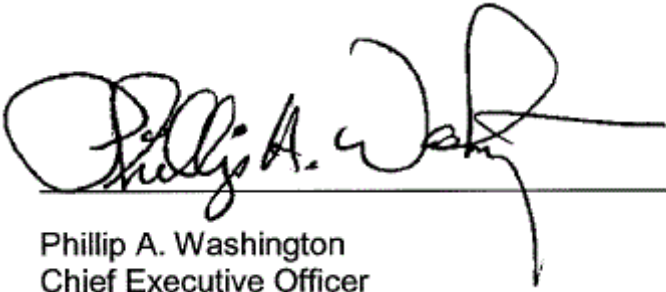
ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Attachment C - Funding/Expenditure Plan

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