

**Board Report**

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**File #:** 2018-0004, **File Type:** Agreement**Agenda Number:** 10.

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**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE  
MARCH 15, 2018****SUBJECT: ASSIGNMENT OF BUSES TO GARDENA MUNICIPAL BUS  
LINES****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to negotiate and execute an Assignment Agreement with Gardena Municipal Bus Lines (GTrans) for 46 of the Option 40-foot CNG transit buses under Contract No. OP28367-000, Part A from El Dorado National (California), Inc. ("ENC") at no cost to Metro.

**ISSUE**

Metro's solicitation, under RFP No. OP28367, specified a total of 600 buses, of either a CNG or Zero Emission (ZE) configuration, for replacement of its 40' transit CNG buses. In June 2017, the Board awarded Contract No. OP28367-000, Part A to ENC for 295 40' CNG buses with authority to exercise up to 305 option vehicles.

Metro has received a request from GTrans for the assignment of 46 40' CNG transit buses. In a continuing effort to partner with regional municipal operators to reduce regional fleet emissions, Metro staff recommends assigning 46 option vehicles under ENC Contract No. OP28367-000 to GTrans. This assignment does not affect the base order. The Assignment of options (i.e. Piggybacking) is allowed per the Federal Transit Administration (FTA) guidelines. FTA recognizes that a transit agency may have valid reasons to specify more vehicles in its contract (e.g. option transit buses) than are ultimately needed. When contract vehicles are no longer required by a transit agency's fleet plan, they are allowed to assign the excess vehicles to another transit agency. Assignment of these options to GTrans will reduce the number of option vehicles available to 259 under the ENC contract.

**DISCUSSION**

In April 2016, Metro's Board of Directors authorized staff to initiate RFP No. OP28367 for the procurement of up to 1,000 CNG or Zero Emission Transit Buses for replacement of up to 600 40' transit buses and 400 60' transit buses. Subsequently, four contracts were awarded in response to RFP No. OP28367, one for each vehicle type:

- Part A, 40' CNG buses (base order of 295 buses, awarded to ENC in June 2017)
- Part B, 60' CNG buses (base order of 65 buses, awarded to New Flyer (NF) in July 2017)
- Part C, 40' ZE buses (base order of 60 buses, awarded to Build Your Dreams in July 2017)
- Part D, 60' ZE buses (base order of 35 buses, awarded to NF in July 2017)

In summary, contracts for 455 buses have been awarded from the 1000 authorized by the Metro Board under RFP No. OP28367, leaving a potential of 545 to be awarded as Option Vehicles under the above contracts.

Given the availability of option vehicles, in order to partner with regional municipal operators to reduce regional fleet emissions, Metro staff is recommending Board approval to negotiate and execute an assignment agreement with GTrans for 46 Option forty-foot CNG buses under Contract No. OP28367-000, Part A.

The no-cost Assignment agreement to be executed for this action is a three-party agreement between Metro, ENC and GTrans. The Assignment agreement obligates GTrans and ENC to indemnify and hold Metro harmless for any claims that may arise from the delivery and operation of the vehicles being purchased by GTrans from ENC. Assigning the options to GTrans will not impact Metro's service. Metro's expectation is to utilize electric buses in place of CNG powered vehicles. Also, RFP No. OP28367 allows for an additional 545 buses to satisfy Metro's needs.

### **FINANCIAL IMPACT**

There is no financial impact to Metro from the approval of this item, as GTrans will be responsible for any expenditures that result from this three-party assignment agreement

### **ALTERNATIVES CONSIDERED**

Staff considered not assigning the 46 vehicles. This alternative is not recommended as it would withhold valid vehicles from potential purchase by our municipal transit partners, thereby increasing the length of time for GTrans procurement process and possibly delay the introduction of cleaner vehicles into the Gardena fleet.

### **NEXT STEPS**

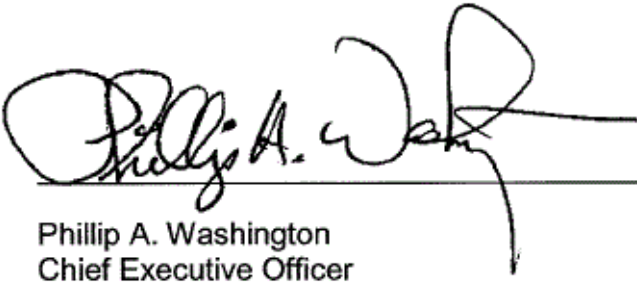
Upon Board approval, staff will execute an Assignment Agreement with GTrans to assign 46 vehicles under Contract No. OP28367-000, Part A.

### **ATTACHMENTS**

Attachment A - GTrans Letter Request

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