



Board Report

File #: 2019-0605, File Type: Contract

Agenda Number: 24.

OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE SEPTEMBER 19, 2019

SUBJECT: EXERCISE OPTIONS ON EXISTING BUS PROCUREMENT CONTRACTS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Contract Modifications to exercise the Options Bus Buy as follows:

- A. Modification No.: 14 to Contract OP28367-000, Part A with El Dorado National (California), Inc. ("ENC"), to procure 259 Contract Option forty-foot CNG buses for the firm fixed price of \$189,369,145 increasing the Total Contract Value from \$204,278,402 to \$393,647,547 inclusive of sales tax;
- B. Increase the Life-of-Project budget for the CP 201057 for FY20-22 capital program in the amount of \$213,345,580 from \$207,567,748 to \$420,913,328;
- C. Modification No. 3 to Contract OP28367-003, Part B with New Flyer of America Inc. (NFA) to purchase 70 Contract Option sixty-foot CNG articulated buses for the firm fixed price of \$73,457,860 increasing the Total Contract Value from \$68,414,506 to \$141,872,366, inclusive of sales tax;
- D. Increase the Life-of-Project budget for CP 201076 for FY20-22 capital program in the amount of \$77,111,410 from \$72,200,000 to \$149,311,410;
- E. Modification No. 2 to Contract OP28367-002, Part C with BYD Coach & Bus, LLC (BYD) to purchase 40 Contract Option forty-foot ZE buses for the firm fixed price of \$30,863,440, increasing the Total Contract Value from \$47,774,723 to \$ \$78,638,163, inclusive of sales tax; and
- F. Increase the Life-of-Project budget for CP 201077 for FY21-22 capital program in the amount of \$63,082,341 from \$65,900,000 to \$128,982,341.

ISSUE

Exercise Options on Existing Bus Contracts to improve service quality, reliability, and reduce

emissions impact from aging fleet.

BACKGROUND

In April 2016, Metro’s Board of Directors passed a motion expressing a desire to convert Metro’s bus fleet to Zero Emission Buses (ZEB) by 2030. In June/July 2017, Metro awarded contracts for new CNG and ZE buses. In October of 2018, Metro awarded a contract to ZEBGO to develop the Zero Emission Bus (ZEB) Master Plan. In December 2018, the California Air Resources Board (CARB) approved the Innovative Clean Transit (ICT) Regulation which requires full transition to zero emission buses by 2040. In July 2019, Metro’s bus vehicle requirements indicate a need to replace 834 buses by 2022. At this time, Metro has 465 buses on order resulting with a need for an additional 369 buses needed to maintain the bus fleet in a “State of Good Repair.”

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 approximately 600 40 ft. transit buses and 400 60 ft. transit buses. In response to RFP No. OP28367, Metro awarded contracts for 355 40 ft. buses (295 CNG, 60 ZE) and 105 60 ft. buses (65 CNG, 40 ZE). In March 2018, 46 40 ft. option buses were assigned to Gardena Municipal Bus Lines (G-Trans). As a result, there remain 699 buses (299 40 ft. and 400 60 ft. buses) that can be awarded as Contract Options. Refer to table below:

Contract	Part	OEM	Bus Type (ft.)	Fuel	Base Order	Option Buses to Exercise
OP28365	A	ENC	40	CNG	295	259
	B	New Flyer	60	CNG	65	335
	C	BYD	40	ZE	60	40
	D	New Flyer	60	ZE	40	65

To address the need for 369 buses to maintain a State of Good Repair, Metro considered first exercising the ZE options. However, operationally, the number of ZE buses that may be procured is limited by the charging infrastructure that will be in place at the time the buses are scheduled for delivery (FY21). The analysis performed by Metro’s consultants as part of the ZEB Master Plan projects that infrastructure that will be in place will be limited to supporting approximately 40 electric buses beyond the current order of 105 buses.

Therefore, based on the limitations of the available charging infrastructure the recommendation is to execute contracts for 40 ft. ZE buses, 259 40 ft. CNG buses, and 70 60 ft CNG articulated buses as indicated in the table below:

Contract	Part	OEM	Bus Type (ft.)	Fuel	Base Order	Option Buses to Exercise	Option Buses to Order
OP28365	A	ENC	40	CNG	295	259	259

	B	New Flyer	60	CNG	65	335	70
	C	BYD	40	ZE	60	40	40
	D	New Flyer	60	ZE	40	65	0

DETERMINATION OF SAFETY IMPACT

These buses are designed to comply with all applicable federal, state and local safety standards. These buses will include improved safety features and amenities, including enhanced ADA securement provisions, Operator Barriers, and enhanced video surveillance capabilities. These buses will also replace buses that have reached the end of their useful life and have expiring CNG fuel tanks that are impractical to replace.

FINANCIAL IMPACT

This action will award bus option contract modifications and increase the LOP for projects 201057 (40 Foot CNG Buses: El Dorado) \$213,345,580, 201076 (60 Foot CNG Buses: New Flyer) \$77,111,410, and 201077 (40 Foot ZEB: BYD). The LOP increases total \$353,539,331. Bus option deliveries are not anticipated until FY21, so there will be no impact to the FY20 budget.

Since these are multi-year contracts, the Cost Center Managers and Chief Operations Officer will be responsible for budgeting the costs in future years.

Impact to Budget

The sources of funds for projects 201057 and 201076 are anticipated State and Federal grants, TDA Article 4, Prop C 40%, and Measure R Clean Fuel Bus Capital. The sources of funds for project 201077 are anticipated State and Federal grants eligible for Zero Emission vehicle purchases, plus Green funds, TDA Article 4, Prop C 40% and Measure R Clean Fuel Bus Capital funding required for local match.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This item supports the following Strategic Goals 1) Provide high-quality mobility options that enable people to spend less time traveling and 5) Provide responsive, accountable, and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

Staff considered not purchasing additional buses and extending the life of existing fleet buses. This alternative is not recommended because many buses scheduled for replacement during the next three years will reach 15 years of age which is the maximum allowable operating life for the CNG tanks and fuel systems installed on these buses. It is not legal to continue operating CNG vehicles beyond the expiration of the CNG tank certification, and it is not practical to replace CNG tanks on buses that have passed the end of their design life.

Staff considered initiating a new procurement for replacement buses. This alternative is not

recommended because the lead time for new vehicles can take 18-24 months or more; therefore, it is unlikely that a new bus procurement could be completed in time to meet FY22 fleet replacement needs. Staff does intend to initiate a new solicitation for additional replacement buses in FY20/21 for buses to be delivered in FY23/24.

Staff considered exercising the 60 ft. ZE options. This alternative is not recommended at this time as these buses are designed primarily for en-route charging applications to be effective. Further study, as part of Metro's Master Planning effort, is required to identify where they could be deployed.

NEXT STEPS

If this action is approved, staff will execute Contract Options to begin production of buses in FY20-FY22. Staff will work to complete the ZEB Master Plan to inform the decision of new Procurements that will be advertised in Spring 2020.

Staff will review the viability of exercising the 65 ZE 60 ft. options from RFP No. OP28367, Part D in Spring 2020. Currently, the options are configured to work for en-route charging. As part of the Master Planning efforts, staff will review potential en-route charging locations. If no en-route charging locations are possible, staff will review if higher battery capacity configurations are available to serve Metro's needs.

ATTACHMENTS

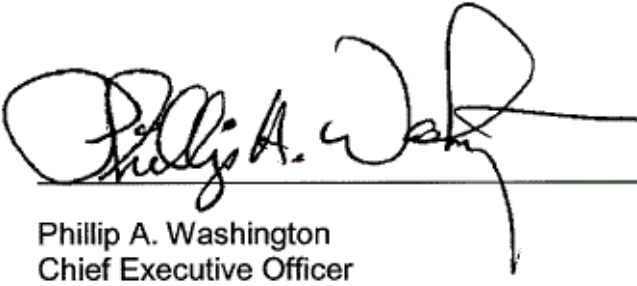
Attachment A - Procurement Summary - (OP28367, Part A)
Attachment B - Contract Modifications / Change Order Log - (OP28367, Part A)
Attachment C - DEOD Summary - (OP28367, Part A)
Attachment D - Funding / Expenditure Plan - (OP28367, Part A)

Attachment E - Procurement Summary - (OP28367, Part B)
Attachment F - Contract Modifications / Change Order Log - (OP28367, Part B)
Attachment G - DEOD Summary - (OP28367, Part B)
Attachment H - Funding / Expenditure Plan - (OP28367, Part B)

Attachment I - Procurement Summary - (OP28367, Part C)
Attachment J - Contract Modifications / Change Order Log - (OP28367, Part C)
Attachment K - DEOD Summary - (OP28367, Part C)
Attachment L - Funding / Expenditure Plan - (OP28367, Part C)

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