



Board Report

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Agenda Number: 30.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE JANUARY 19, 2023

SUBJECT: NEW BATTERY-ELECTRIC BUS PROCUREMENT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to solicit competitive negotiations Request for Proposals (RFPs), pursuant to Public Contract Code (PCC) §20217 and Metro's procurement policies and procedures for the acquisition of new Battery Electric Buses (BEBs) and supporting Charging Infrastructure.

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)

ISSUE

Metro anticipates that from FY24 through FY30, up to 1,526 (one thousand five hundred and twenty-six) buses will reach the end of their useful life. Most of these retiring buses will be more than 14 years old. There are also initiatives in place to move Metro toward a Zero Emission fleet in which accelerated acquisition of Battery Electric Buses and supporting Charging Infrastructure is crucial to success.

Additionally, the NoHo to Pasadena Transit Corridor and the North San Fernando Valley Bus Rapid Transit Improvement projects require the acquisition of BEBs and Charging Infrastructure.

Staff has determined that the new BEB and Charging Infrastructure solicitation constitutes a specialized transit equipment Purchase as it is an emerging Technology. This determination renders it appropriate for a competitively negotiated process in accordance with PCC § 20217. PCC § 20217 states that the Board, upon a finding by a two-thirds vote of all members, may find that the competitive low bid procurement method is not adequate for the agency's needs and direct that the procurement be conducted through competitive negotiation. This competitive negotiation process is the same procurement model Metro used for previous new bus procurement projects, including the Forty-Foot (40') and Sixty Foot (60') Low Floor Zero Emission Bus Procurements.

BACKGROUND

In December 2018, the California Air Resources Board (CARB) mandated under the Innovative Clean Transit (ICT) regulation that all California transit agencies convert to zero emissions (ZE) by 2040. The recommendations are consistent with Metro's efforts to meet an accelerated ZE conversion goal and to support Measure M projects. In November 2016, the Measure M ordinance included an expenditure plan that identified a list of Transit and Highway projects to be completed within a three-year range of established target dates. The scope of the NoHo to Pasadena Transit Corridor and the North San Fernando Valley Bus Rapid Transit Improvement Measure M projects have made commitments to ZE buses and supporting Charging Infrastructure.

Metro's Manufacturing Careers Policy (MCP) will apply to this procurement. Metro's Board of Directors adopted the MCP in November 2022 to administer the United States Employment Program (USEP) for federally funded Rolling Stock contracts and the Local Employment Program (LEP) for non-federally funded Rolling Stock contracts. The MCP policy objectives are to maximize the economic co-benefits from investment in transit equipment, infrastructure, and related services by maximizing:

- Quality job creation and career development for low-income residents and those facing barriers to employment
- Equity outcomes and economic resiliency in disadvantaged communities
- Investment in new or existing manufacturing/assembly facilities in the US and Los Angeles County.

DISCUSSION

It is in the public's interest to utilize competitive negotiation rather than a sealed bid process to consider factors other than price in awarding the contract for the new BEBs 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 a strictly low bid procurement.

Staff recommends the use of a competitive negotiation process for the ZEBs to allow for the consideration of technical and commercial factors, such as past performance related to schedule adherence, quality, reliability, aftermarket support, and vehicle performance, in addition to price in the contract award selection process.

In addition to the ability to evaluate key technical and schedule factors, the competitive negotiation process permits direct discussions and negotiations with Proposers to clarify requirements and costs before an award recommendation. The process minimizes the risks associated with a complex specification and scope of work by allowing the parties to clarify ambiguities and correct deficiencies.

The pursued acquisition would be comprised of the following:

1. 161 BEBs and full Charging Infrastructure build-out for the first three bus divisions (Divisions 8 (Chatsworth), 9 (El Monte), and 18 (Carson)).

2. Seventy-five (75) BEBs and ten (10) en-route Chargers for Measure M North San Fernando Valley Transit Corridor
3. Twenty-four (24) BEBs and four (4) en-route Chargers for Measure M NoHo to Pasadena Transit Corridor

1. 161 BEBs and full Charging Infrastructure build-out for the first three bus divisions (Divisions 8 (Chatsworth), 9 (El Monte), and 18 (Carson))

This will consist of the CalSTA Transit & Intercity Rail Capital Program (TIRCP) Project Award. CalSTA summarized the Project award as follows:

“Purchases 261 zero-emission buses and supportive infrastructure to deploy on LA Metro’s Tier 1 and Tier 2 routes from Divisions 9 and 18 as well as the J (Silver) Line. The project also includes corridor improvements on high-frequency bus corridors (mainly shared with other transit agencies), including bus-only lanes, transit signal priority, bus bulbs and boarding islands, bus shelters, and real-time passenger information.”

As noted above, the TIRCP Award was for 261 zero-emission buses. There is currently an Active Contract for 100 Battery Electric Buses (BEBs) using a portion of that Award, and those buses are slated to arrive in the Fall of 2023. This request is for a new contract for the remaining 161 (of the 261) zero-emission buses.

Division 8 is also included due to its need for Infrastructure build-out in support of its current service of Battery Electric Buses on the G (Orange) Line. This will include the design, procurement, and construction for the full electrification of the Division.

2. Seventy-five (75) BEBs and ten (10) en-route Chargers for Measure M North San Fernando Valley Transit Corridor

The North SFV Transit Corridor project aims to increase connectivity and provide high-quality bus service and transit infrastructure across the northern part of the San Fernando Valley. This project intends to improve customer experience and includes Bus Rapid Transit elements. This has increased service frequency, transit travel time improvements, peak hour bus lanes, new additional bus shelters, amenity improvements, all-door boarding, and new Battery Electric Buses and charging infrastructure.

3. Twenty-four (24) BEBs and four (4) en-route Chargers for Measure M NoHo to Pasadena Transit Corridor

The NoHo to Pasadena Transit Corridor is an 18-mile project that builds a high-quality BRT connecting the SFV and SG valleys traveling East/West between the NoHo Metro B Line/G Line Station, and Pasadena City College with stops in the Burbank Media District, downtown Burbank, Glendale, and Eagle Rock.

Manufacturing Careers Policy (MCP) - Staff will include an explicit scoring factor for the US Employment hiring program (USEP), as required in the Board approved MCP. Proposer compliance with the USEP provisions of Metro's MCP is a contractual requirement and a condition of award. A previous version of this program has been successfully applied to two other rolling stock projects, the P3010 LRV Contract, and 900 Bus Buy Contract. The primary goal of the USEP is to incentivize proposers who move manufacturing activities from overseas to the US. The US Employment Hiring Program will provide evaluation points to those proposers that generate new jobs and invest in manufacturing, assembly, and warranty support facilities in the United States.

DETERMINATION OF SAFETY IMPACT

New buses incorporate the latest safety systems and features that will 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; collision avoidance sensors, and improved passenger door sensors.

FINANCIAL IMPACT

Once the proposals are evaluated, and a qualified contractor is selected, a fully funded requisition shall be initiated to start the solicitation processes as per VCM policies. In the event the award value is greater than planned, project staff shall return to the board with the award amount and adjustments as needed. Since this project will occur over a multi-year period, the Cost Center Manager, Project Manager, and Chief of Operations will be responsible for future fiscal year budgeting.

The estimated total acquisition cost is approximately \$590 million. Breakdown estimates and notes are as follows:

1. \$470 million for 161 BEBs and full Charging Infrastructure build-out for the first three bus divisions (Divisions 8 (Chatsworth), 9 (El Monte), and 18 (Carson))
2. \$90 million for Seventy-five (75) BEBs and ten (10) en-route Chargers for Measure M North San Fernando Valley Transit Corridor

3. \$30 million for Twenty-four (24) BEBs and four (4) en-route Chargers for Measure M NoHo to Pasadena Transit Corridor

Impact to Budget

Upon approval of the recommendation, funds required to start the procurement for the 40' Battery Electric Buses and charging infrastructure will be included in the FY24 budget in a newly established project under cost center 3320 Vehicle Technology and 3048 Charging Infrastructure. Upon completing this solicitation, staff will return to the Board to authorize the contract award, and formally establish the life-of-project (LOP) budget for the planned work scope.

EQUITY PLATFORM

Battery Electric Buses will operate on routes restructured through the NextGen transit service plan. The service area of the corridors is vast-147 square miles-encompassing 2.2 million people in 650,000 households and 750,000 employees. Therefore, the corridors contain approximately 21 percent of the County's population and approximately 20 percent of the County's employment.

Priority populations are identified as disadvantaged or low-income communities as defined by Senate Bill 535 (SB 535) and Assembly Bill 1550 (AB 1550). There is great overlap between these areas and areas that Metro defines as Equity Focus Communities. The improvements are targeted to benefit communities with some of the greatest mobility needs in Los Angeles County. The Project's service corridors are composed of 88 percent in Low-Income Communities as identified by AB 1550 (Figure 1), 73 percent disadvantaged Communities as identified by SB 535 (Figure 2), and 61% Equity Focus Communities as defined by Metro's EFC definition (Figure 3). The investment brings benefits to the community beyond the transit riders themselves: quieter exterior and interior noise not only attracts riders but provides a benefit to the community as well.

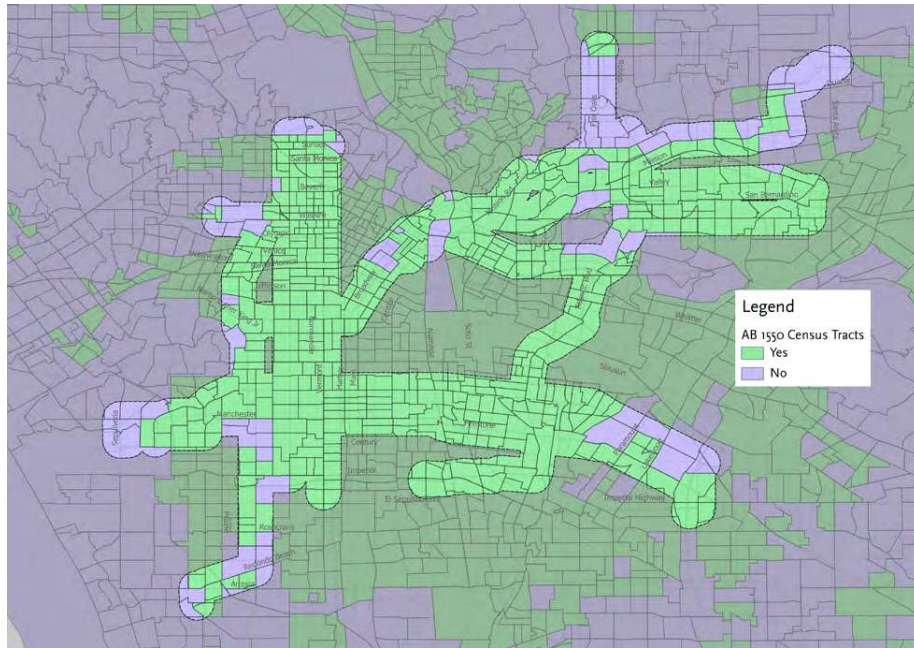


Figure 1: AB 1550 Census Tracts (Green) in the Project Corridors

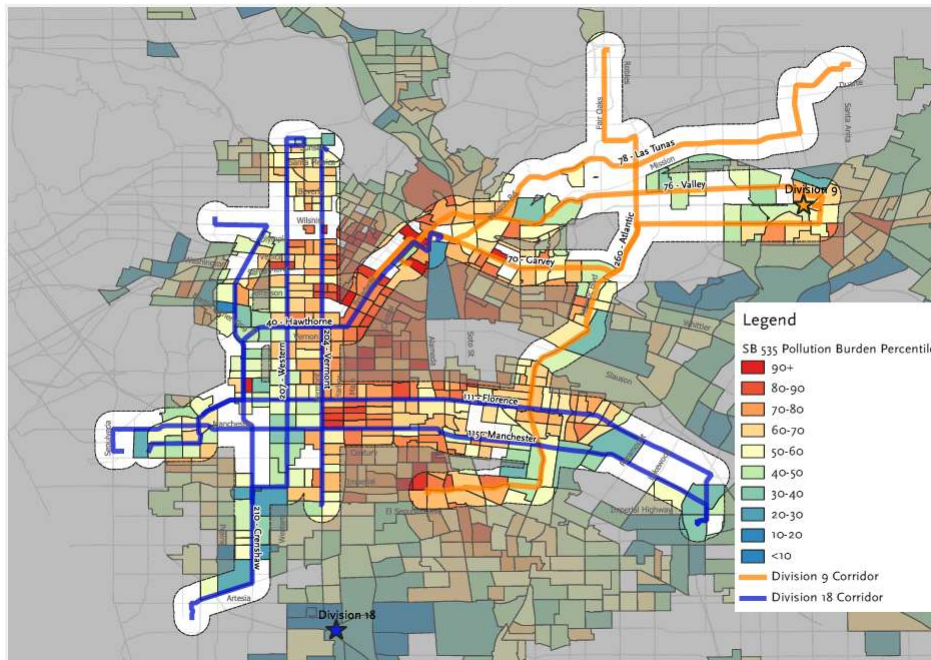


Figure 2: Census Tract Pollution Burden Percentile in the Project Corridors



**Division 9 and 18 Transit Corridors
Overlaid with Equity Focused Communities**

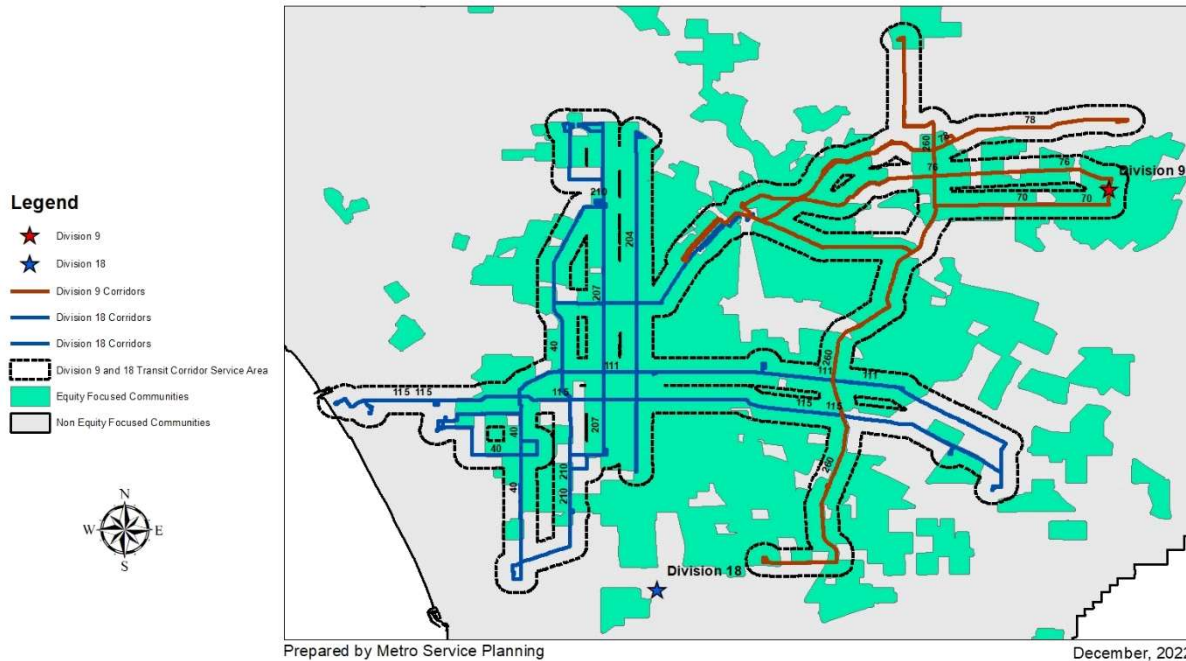


Figure 3: EFC Overlay Map

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Disadvantaged Business Enterprise (DBE) goal for this procurement as it is not applicable. This procurement falls under the Federal Transit Administration’s (FTA) Transit Vehicle Manufacturer (TVM) goal in accordance with 49 Code of Federal Regulations (CFR) Part 26.49. However, as referenced above, Metro’s Manufacturing Careers Policy will apply to this Procurement.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These recommendations support Goal #3, Enhance communities and lives through mobility and access to opportunity, and Goal #4 Transform LA County through regional collaboration and national leadership.

ALTERNATIVES CONSIDERED

Running CNG buses past the end of their design life was considered. This alternative is not recommended because it will require additional investment in replacing costly components on an aged chassis. Extending vehicle life also adversely impacts fleet reliability and diminishes the quality of service provided to Metro’s passengers. Lastly, extending CNG bus operations conflicts with the 2030 Zero Emissions Goal set by the Board.

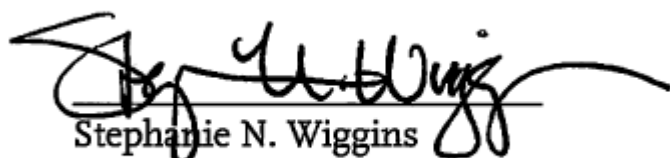
Procurement by a low bid process was also considered but not recommended. The competitively negotiated procurement process provides for consideration of critical non-price-related evaluation factors in the selection process. The sealed low bid process does not adequately account for any technical superiority 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

- A. Staff will proceed with a competitively negotiated solicitation for acquiring new Battery Electric Buses (BEBs) and supporting Charging Infrastructure.
- B. Once bids have been received, Staff will return to the board to award the contract and establish a LOP for the procurement.

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