

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	08/09/10	Open	Action	08/02/10

Subject: Approving Purchase Request with the California Association for Coordinated Transportation(CalACT)/Morongo Basin Transit Authority(MBTA) Purchasing Cooperative for up to Thirty-Nine (39) Paratransit Vehicles

ISSUE

Whether (A) the process for procurement of buses set out in RT Ordinance No 09-05-01, which requires that a contract for the purchase of buses be awarded to the lowest responsive bidder to an Invitation to Bid, is inadequate to ensure that RT secures the best available paratransit vehicles, for the best price and on terms that are in RT's best interest; and (B) whether to approve the purchase of 39 paratransit vehicles using the agreement between the Morongo Basin Transit Authority (MBTA)(on behalf of the California Association for Coordinated Transportation (CalACT)) and Creative Bus Sales, Inc.

RECOMMENDED ACTION

- A. Adopt Resolution 10-08-_____, Finding that the Purchase of Paratransit Buses by Award to the Lowest Responsive and Responsible Bidder Does not Constitute an Adequate Method of Procurement; and
- B. Adopt Resolution 10-08-_____, Approving a Contract for Purchase of Thirty-Nine Paratransit Buses through the CalACT/MBTA Cooperative Purchasing Schedule with Creative Bus Sales, Inc.

FISCAL IMPACT

Budgeted:	\$3,834,283	This FY:	\$	N/A
Budget Source:	Capital	Next FY:	\$	N/A
Funding Source:	Federal (Section 5309 Bus Discretionary) and State (PTA)	Annualized:	\$	N/A
Cost Cntr/GL Acct(s) or Capital Project #:	P005	Total Amount:	\$ \$2,681,985.93, plus applicable sales tax	
Total Budget:	\$ \$2,681,985.93, plus applicable sales tax			

DISCUSSION

Paratransit, Inc.'s current fleet for ADA and non-ADA demand-response service (also known as Type I and Type II service) is comprised of 121 vehicles, and RT holds title to thirty (30) of the vehicles in the fleet, which were placed into service in 2007 and 2008. Rides to Type I and Type II

Approved:

Presented:

Final 8/3/2010

General Manager/CEO

Director, Accessible Services & Customer Advocacy

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passengers may occur on the same vehicles during the service day, as Paratransit, Inc. coordinates the complementary ADA paratransit service it provides for RT with its other non-ADA rides. RT recently analyzed the ADA complementary paratransit service operation to more clearly identify the fleet needs for the ADA-required service. After the June 20, 2010 service reduction, the required fleet to operate ADA complementary paratransit at the peak of the service day is 68 vehicles. After applying a reasonable ratio of spare vehicles at 20%, the total projected ADA complementary paratransit fleet required in FY10-11 is 82 vehicles. The first priority for RT capital funding is for vehicles required for ADA complementary paratransit service.

According to federal guidelines, vehicles used for demand-responsive complementary paratransit services have a useful life of four years or 100,000 miles, whichever comes first. Ninety (90) of the 121 vehicles in Paratransit, Inc.'s demand-response fleet have exceeded their useful life of 100,000 miles. Fifty-two (52) of the 82 vehicles required to operate RT's ADA complementary paratransit service have exceeded their useful life. If the Board authorizes the replacement of up to 39 vehicles at this time, an additional 13 vehicles will require replacement in the next cycle followed by replacement of the 30 vehicles purchased in 2007 and 2008, plus any vehicles that may be required as demand for the service gradually increases over time. As cut-away type demand-response vehicles age, they are subject to an increasing number of road-calls and service work to keep them operable, and in some cases have to be removed from service entirely due to mechanical failure. This vehicle type becomes more expensive to maintain as it ages and may begin to experience engine failure between 175,000 and 200,000 miles. The 30 vehicles currently owned by RT have an average mileage of 60,658 miles. Of the 30 remaining vehicles in the active fleet, originally purchased by RT, those vehicles have an average mileage of 247,086. Since 1997, RT has purchased 128 vehicles for ADA complementary paratransit service; 67 of those vehicles have either been retired, or transitioned to Paratransit, Inc.'s human-service transportation programs.

RT, in cooperation with its regional partners, is taking a leadership role in monitoring the state of the industry related to alternative fuels for light and medium duty buses to prepare the region for the next fuel platform for this size of vehicle. However, at this time, Staff is recommending that RT proceed with acquisition of traditional gasoline fuel vehicles for this round of 39 replacement buses. As approved by the Board in May, RT is in the process of procuring three gasoline-hybrid powered cut-away style buses for Neighborhood Ride service under a CalStart/Missouri DOT contract. While Staff believes that hybrid vehicles are the most viable technology for demand-response service, staff recommends that the hybrid Neighborhood Ride vehicles to be acquired under the CalStart/Missouri DOT contract be placed in service and adequately tested prior to the procurement of additional alternatively-fueled vehicles. Ideally, a hybrid vehicle will become available on the market that will include additional accessible features, such as a low-floor/ramp boarding system. The pending replacement of 13 paratransit vehicles, followed shortly thereafter by an additional 30 vehicles, will provide RT with opportunity to implement hybrid or other alternative fuel technology within the paratransit fleet.

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A limited number of CNG vehicles are available through the CalACT/MBTA purchasing menu; however, CNG is not a viable option for ADA complementary paratransit service at this time. RT's ADA complementary paratransit service provider, Paratransit, Inc., which operates its fleet out of its primary location on Florin Road, is not currently equipped with a CNG fueling facility or facility safety features required to operate a CNG fleet. CNG vehicles also have a much more limited range than gasoline/diesel or hybrid-powered vehicles. In addition to the technical issues, the procurement time for an alternatively-fueled vehicle through the purchasing cooperative would place RT outside the window to expend the available PTA funding. The infrastructure requirements for CNG make hybrid technology a more viable option in the near term.

In addition, although diesel remains the fuel of choice for light and medium bus procurements, diesel vehicles are not a viable options because they do not meet current California vehicle emission standards. Staff recommends that gasoline-fueled vehicles be purchased for this replacement cycle, as they are compliant with California Air Resources Board standards and have an operating cost comparable to diesel.

Project P005, Paratransit Vehicle Replacement, was established to purchase replacement ADA complementary paratransit vehicles. This project is funded by the State Public Transit Assistance (PTA) and Federal 5309, Bus Discretionary, funding sources. The funds available under a 2006 PTA grant for large bus, neighborhood ride and paratransit vehicles must be expended by May 2011, or they will no longer be available to the region.

At this time, staff recommends using the expiring PTA funds, in combination with Federal 5309 Bus Discretionary funds, to procure vehicles under the California Association for Coordinated Transportation (CalACT) purchasing cooperative, of which Morongo Basin Transit Authority (MBTA) is the lead agency.

Article III, Section 1.407 of the Regional Transit District Administrative Code allows RT to purchase commodities and services through contracts of other public entities without bidding by RT if the public entity conducted a competitive bid process that does not violate any Federal or State requirements applicable to RT.

On the state level, Public Contract Code Section 20217 authorizes transit agencies to procure buses by competitive negotiation "upon a two-thirds vote of all members of the board that the purchase of those materials [by award to the lowest-responsible bidder] does not constitute a method of procurement adequate for the agency's needs." Under federal law (49 U.S.C. Section 5325(f)(1)(b)), RT may base an award for rolling stock on factors such as performance, standardization, life cycle costs or other factors and is not obligated to award to the lowest bidder.

Historically, RT has "piggybacked" off a State of California contract to purchase Paratransit vehicles; however, the State does not have a current contract in place. As an alternative, Staff is proposing to "piggyback" off the contract between CalACT/MBTA and Creative Bus Sales, Inc. The form of procurement employed by CalACT/MBTA was a Local Government Purchasing

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Schedule as defined in the FTA Circular 4220.1F, Chapter V, Part 4, wherein the FTA extends to local governments the authority to make arrangements with multiple vendors to provide options for goods or service in the future at established prices. This form of procurement is sometimes known as a “menu-style bid.” The CalACT/MBTA Cooperative released RFP Number 09-02 in November 2009 for Accessible Transit/Paratransit Vehicles, which was a competitive price-based procurement based on accepting vehicles that met the bid specifications and whose price fell within a predetermined competitive range established by the Cooperative. The RFP included both Federal and State provisions.

The CalACT/MBTA purchasing cooperative is desirable for the paratransit vehicle procurement because it provides a menu-style process, enabling RT to select from a menu of choices from different vendors and manufacturers that best suit RT’s needs, rather than the limitations of an award based solely on the price of the vehicles. The cooperative provides a broad range of products. The Starcraft Bus, Model Allstar 25, sold by Creative Bus Sales, meets RT needs. The base price of Model Allstar 25 is \$53,687, which was the lowest bid of eight bids received for Type III, Class C vehicles. Consequently, RT’s Procurement Staff has determined that the price for the Starcraft Bus, Model 25 is fair and reasonable. The total estimated price, including optional equipment, is approximately \$75,000 per vehicle.

Due to the age of the current paratransit fleet, and the availability of approximately \$3.8M in expiring PTA funding, staff recommends that the Board: (1) find that the purchase of paratransit vehicles by award to the lowest-responsible bidder does not constitute a method of procurement adequate for RT's needs; and (2) authorize RT to use MBTA/CalACT Contract No. 09-02-CBS1 with Creative Bus Sales, Inc. to purchase up to 39 replacement paratransit vehicles.

RESOLUTION NO. 10-08-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

August 9, 2010

**FINDING THAT THE PURCHASE OF PARATRANSIT BUSES BY AWARD TO THE
LOWEST-RESPONSIBLE BIDDER DOES NOT CONSTITUTE AN ADEQUATE
METHOD OF PROCUREMENT**

WHEREAS, the Sacramento Regional Transit District (RT) has a need to replace aging vehicles used to provide complementary paratransit service under the Americans with Disabilities Act (ADA); and

WHEREAS, the MBTA/CalACT Vehicle Purchasing Cooperative developed a Local Government Purchasing Schedule procurement as defined in the Federal Transit Administration's (FTA) Circular 4220.1F, Chapter V, Part 4.; and

WHEREAS, this procurement method will enable RT to expeditiously select vehicles from a competitively-priced menu of choices from different vendors and manufacturers that best suit RT's needs; and

WHEREAS, such procurement methods are consistent with language in Public Contract Code Section 20217(a) that finds and declares that it is in the public interest for transit agencies to consider the broadest possible range of competing products and materials available, fitness of purpose, manufacturer's warranty, vendor financing, performance reliability, standardization, life cycle, costs, delivery timetables, support logistics, and other similar factors in addition to price in the award of these contracts; and

WHEREAS, Public Contract Code Section 20217, provides authority to procure paratransit vehicles by competitive negotiation upon a two-thirds vote of all members of the Board if the Board makes certain findings;

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the purchase of paratransit buses by award to the lowest-responsible bidder does not constitute an adequate method of procurement to fulfill RT's needs and, consequently, such paratransit buses may be purchased by competitive procurement.

STEVE MILLER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 10-08-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

August 9, 2010

**APPROVING A CONTRACT FOR PURCHASE OF THIRTY-NINE
PARATRANSIT BUSES THROUGH THE CALACT/MBTA COOPERATIVE
PURCHASING SCHEDULE WITH CREATIVE BUS SALES, INC.**

WHEREAS, the Sacramento Regional Transit District (RT) received State Transportation Improvement Program (STIP) funds to purchase paratransit vehicles to replace paratransit vehicles that reached their service life; and

WHEREAS, MBTA served as the lead agency for a CalACT Vehicle Purchasing Cooperative and, under RFP #09-02, conducted a negotiated procurement for paratransit/accessible buses, accepting proposers offering vehicles that met its specifications and whose prices fell within a competitive range established by the Cooperative; and

WHEREAS, pursuant to RFP #09-02, MBTA entered into a Contract ("MBTA Contract") with Creative Bus Sales, Inc. for the purchase of paratransit buses; and

WHEREAS, MBTA has assigned to RT the right to acquire up to 39 buses from Creative Bus Services, Inc. under the terms and conditions of the MBTA Contract;

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Contract for Purchase of Thirty-Nine Paratransit Buses through the CalACT/MBTA Cooperative Purchasing Schedule with Creative Bus Sales, Inc. (therein "Contractor") whereby Contractor agrees to sell and RT agrees to purchase 39 paratransit vehicles for an amount not to exceed \$2,681,985.93, plus applicable sales tax, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to sign said Contract upon such terms.

STEVE MILLER, Chair

A T T E S T:
MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary