

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
16	10/24/11	Open	Action	10/13/11

Subject: Approving Purchase Request with the California Association for Coordinated Transportation (CalACT)/Morongo Basin Transit Authority (MBTA) Purchasing Cooperative for One (1) Hybrid Cut-Away Bus

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 revenue-vehicle, for the best price and on terms that are in RT's best interest; and (B) whether to approve the Second Amendment to the contract with Creative Bus Sales, Inc. to purchase one (1) hybrid cut-away bus.

RECOMMENDED ACTION

- A. Adopt Resolution 11-10-_____, Finding that the Purchase of One (1) Hybrid Cut-Away Bus by Award to the Lowest Responsive and Responsible Bidder Does Not Constitute an Adequate Method of Procurement; and
- B. Adopt Resolution 11-10-_____, Approving a Second Amendment to the Contract with Creative Bus Sales, Inc for Purchase of One (1) Hybrid Cut-Away Bus.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	210,000
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 #:	WBS B136.07.01	Total Amount:	\$	210,000
Total Budget:	\$ 210,000			

DISCUSSION

Regional Transit is once again taking a leadership role in introducing alternative fuels to public transit vehicles, this time within the Community Bus fleet. RT has recently taken delivery of three (3) gasoline/electric hybrid buses, some of which are going into service on the new Granite Park Shuttle route. RT is also working to procure several new CNG-powered cut-away buses to operate the North Natomas Flyer routes, should RT be successful in negotiating a contract with the North Natomas TMA.

Approved:

Presented:

Final 10/18/11

General Manager/CEO

Director of Community Bus Services

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Staff recently learned federal capital funds and matching Public Transportation Account (PTA) funds are available specifically for the purchase of a single hybrid cut-away bus. Staff recommends using the expiring PTA funds, in combination with Federal 5309 Bus Discretionary funds, to procure this vehicle under the California Association for Coordinated Transportation (CalACT) purchasing cooperative, of which Morongo Basin Transit Authority (MBTA) is the lead agency. This is the purchasing cooperative used to purchase the last order of 52 paratransit buses.

The addition of this hybrid bus will bring the Community Bus Service (CBS) hybrid fleet up to a total of four (4). These hybrid buses will be used on a selected basis on routes where their performance can be readily monitored and compared to the standard gas and diesel buses for fuel mileage, brake wear, repair costs, miles between road calls, etc.

This project is funded by \$177,000 in State PTA and \$33,000 in Federal 5309, Bus Discretionary funds. The PTA funds must be encumbered in a contract fully executed by November 12, 2011 to avoid forfeiting the funds.

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.

On August 23, 2010, under Resolution No. 10-08-0105, the Board awarded a contract to Creative Bus Sales, Inc. to purchase 52 buses for paratransit service. This contract was awarded as a result of RT "piggybacking" off the contract between CalACT/MBTA and Creative Bus Sales, Inc. Staff proposes to amend this contract to include one additional hybrid bus. The form of procurement employed by CalACT/MBTA was a Local Government Purchasing 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 Request for Proposal (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.

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The CalACT/MBTA purchasing cooperative is desirable for this hybrid vehicle procurement because it allows RT to meet the very short time line to expend the grant funds involved in this purchase, and because it enables 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 Goshen Coach, Model GC II Hybrid, sold by Creative Bus Sales, meets RT needs by providing a competitively priced gasoline/electric hybrid small cut-away bus with a power train built by Azure Dynamics (same power train as in RT's existing fleet of 3 hybrid buses). This consistency in power trains makes training and spare parts less of an issue for the Maintenance Department. The base price of this bus is \$104,725, which was the lowest of four bids received for Class B Hybrid vehicles. Consequently, RT's Procurement Staff has determined that the price for the Goshen Coach, Model GC II Hybrid is fair and reasonable. The total estimated price, including optional equipment, is approximately \$128,145.02 per vehicle, not including tax. Additional equipment and inspection services will be acquired under separate procurements.

Due to the availability of approximately \$210,000 that includes expiring PTA funding, staff recommends that the Board: (1) find that the purchase of this vehicle by award to the lowest-responsible bidder does not constitute a method of procurement adequate for RT's needs; and (2) authorize RT to issue a second amendment to the contract with Creative Bus Sales, Inc. to purchase one hybrid cut-away transit vehicle.

RESOLUTION NO. 11-10-_____

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

October 24, 2011

FINDING THAT THE PURCHASE OF ONE (1) HYBRID CUT-AWAY BUS BY AWARD TO THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER DOES NOT CONSTITUTE AN ADEQUATE METHOD OF PROCUREMENT

WHEREAS, the Sacramento Regional Transit District (RT) has a need to replace aging revenue vehicles; and

WHEREAS, the Morongo Basin Transit Authority (MBTA)/ California Association for Coordinated Transportation (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 vehicles by competitive negotiation upon a two-thirds vote of all members of the Board if the Board makes certain findings; and

WHEREAS, the time requirements of an Invitation to Bid process for this innovative technology would not be possible within the available funding eligibility requirements.

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

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

DON NOTTOLI, Chair

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

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 11-10-_____

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

October 24, 2011

**APPROVING A SECOND AMENDMENT TO THE CONTRACT WITH
CREATIVE BUS SALES, INC FOR PURCHASE OF ONE (1) HYBRID CUT-AWAY
BUS THROUGH THE CALACT/MBTA COOPERATIVE PURCHASING SCHEDULE.**

WHEREAS, the Sacramento Regional Transit District (RT) received Federal and State funds to purchase a hybrid cut-away bus to replace a Neighborhood Ride vehicle that has reached the end of its useful life; and

WHEREAS, the Morongo Basin Transit Authority (MBTA) served as the lead agency for a California Association for Coordinated Transportation (CalACT) Vehicle Purchasing Cooperative and, under RFP #09-02, conducted a negotiated procurement for 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 said buses; and

WHEREAS, on September 2, 2010, RT and Creative Bus Sales entered into a Contract for purchase of paratransit buses; and

WHEREAS, MBTA has assigned to RT the right to acquire one hybrid bus 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 Second Amendment to the Contract for Purchase of Paratransit Buses through the CalACT/MBTA Cooperative Purchasing Schedule between Creative Bus Sales, Inc. (therein "Contractor") and Sacramento Regional Transit District (therein "RT") whereby Contractor agrees to sell and RT agrees to purchase one hybrid bus for an amount not to exceed \$128,145.02, and the total consideration is increased from \$3,613,152.92 to \$3,741,297.94, plus applicable sales tax, is hereby approved.

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

DON NOTTOLI, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary