

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
17	12/09/13	Open	Action	12/02/13

Subject: Awarding a Contract for Purchase of Transit Buses to Gillig LLC and Delegating Authority to the General Manager/CEO to Execute Amendments to the Contract

ISSUE

Whether to Award a Contract for Purchase of Transit Buses to Gillig LLC and Delegate Authority to the General Manager/CEO to Execute Amendments to the Contract

RECOMMENDED ACTION

Adopt Resolution No. 13-12-____, Awarding a Contract for Purchase of Transit Buses to Gillig LLC and Delegating Authority to the General Manager/CEO to Execute Amendments to the Contract

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$35,000
Budget Source:	Capital	Next FY:	\$18,278,690*
Funding Source:	Federal, State, and Local	Annualized:	\$18,313,690**
Cost Cntr/GL Acct(s) or Capital Project #:	B139	Total Amount:	\$18,178,140*
Total Budget:	\$18,313,690**		

*This cost is for the initial order of 30 buses, reflecting a total cost per bus of \$605,938. Each additional bus ordered will cost \$560,632.00 plus escalation based on the Producer Price Index, and applicable state and local taxes.

**The total budget and annualized amounts are for the cost of the initial order of 30 buses, which includes life-to-date administrative costs, estimated inspections, and future labor costs.

DISCUSSION

Article III, Section 1.407 of the Sacramento Regional Transit District (RT) Administrative Code allows RT to enter into cooperative purchasing agreements for Supplies or Services through Contracts of other public entities without competitive bidding by RT if the bidding procedures followed by a public entity for any such Contract satisfies the bidding requirements set out in this Procurement Ordinance. In addition, the Common Grant Rules and FTA encourage recipients to procure goods and services jointly with the recipients to obtain better pricing through larger purchases.

For the purchase of the 96 replacement buses, Staff discussed the possibility of RT conducting its own procurement, using the Best Value procurement strategy, piggybacking a contract with another transit agency, or joining a consortium. After a thorough review of these options, staff

Approved:

Presented:

Final 12/04/13

General Manager/CEO

Director, Bus Maintenance

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chose to join a bus purchase consortium with Central Contra Costa Transit Authority (CCCTA) as the lead agency. The consortium includes 21 other agencies located throughout California and one agency in Ohio. CCCTA released RFP 2012-MA-02 to multiple bus manufacturers on December 26, 2012 for Purchase and Delivery of Heavy-Duty Buses.

The RFP requested pricing for 30', 35', and 40' diesel, hybrid and compressed natural gas heavy-duty buses, with a minimum quantity of 391 and a maximum quantity of 1,042 over a five-year period. In response to the RFP, CCCTA received two proposals and the evaluation committee determined that only one of the proposals, submitted by Gillig Corporation, was responsive to the RFP's requirements.

RT is currently operating 96 2002/2003 year model year Orion buses. In accordance with FTA standards, these buses will begin to reach the end of their service life in March 2015. In addition, these buses are all equipped with CNG fuel tanks with certifications that will begin to expire starting in March 2017. The buses will have to be removed from service as the tanks reach their expiration dates. In addition, RT's existing fleet of CNG buses were all supplied by Orion. Orion has now ceased operations and is no longer manufacturing buses. Inventory parts for the Orion buses are being supplied by New Flyer and are becoming increasingly difficult to obtain in a timely manner – in many cases taking up to 6 months for delivery of regularly-used parts. Given the age, increased cost/difficulty of obtaining parts, and duty cycle of these vehicles, tank replacement is not a recommended option for the RT fleet.

Based on funds currently available, staff has determined that RT's initial order will be for 30 buses. Delivery time for the first 30 new buses is approximately 16 months from contract execution. The contract will be amended to procure the remaining 66 buses as funding is identified over the next five years. Staff requests that the Board delegate authority to the General Manager/CEO to execute amendments for the remaining 66 buses, as funding becomes available. Staff also requests the Board to delegate authority to the General Manager/CEO to execute amendments to the initial Contract for bus configuration changes, not-to-exceed \$500,000 in aggregate. On an annual basis, the General Manager/CEO will include in the Executive Summary to the Board an update on the number of buses that have been procured under this delegation, the sources of funding, the plan for future acquisitions/amendments, whether the price remains fair and reasonable, and whether any other technologies exist (hybrid, all-electric) that may prove to be a more viable option for RT.

There are numerous benefits of entering into a five-year contract with Gillig. The buses are completely manufactured at its location in Hayward, California, which is less than 100 miles from RT. Gillig has increased its parts storage capability by acquiring an additional 108,000 square foot warehouse, located minutes from its manufacturing facility. Gillig has a proven track record of meeting delivery dates and, as a result, has not been required to pay liquidated damages on previous contracts. RT executive management and other key staff have made several trips to the Gillig plant and were impressed with its manufacturing process, attention to detail, and overall quality of its product.

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The CCCTA procurement allowed each agency to customize its order in a number of areas. RT is taking full advantage of this opportunity by involving mechanics, operators, other RT Staff, and members of RT’s Mobility Advisory Council (MAC) in the decision making process for certain aspects of the bus order. For instance, two drivers’ seats were made available for drivers’ review and comment. RT has selected disc brakes over the traditional drum brakes based upon industry experience and mechanic feedback related to performance and ease of maintenance. Staff is working with the MAC to establish the best seating arrangement to accommodate the varied mobility needs of persons with disabilities. The process included extensive correspondence with vendors and other transit properties, obtaining and/or viewing static and dynamic displays/demonstrations of materials, systems, and assemblies, and review of RT’s duty-cycle and future operational demands. Key RT staff were involved in these reviews and were a key part of the decision-making process. Gillig has provided a Riverside Transit 40’ CNG BRT-Plus bus for display on several occasions, most recently to provide the MAC with some demonstration and insight of some advancements in wheel chair restraint systems, ramps, and seating configurations.

Based on Gillig’s proposal in response to RFP 2012-MA-02 and RT’s bus specifications, the cost per bus is as follows:

RT 40’ Low Floor CNG Bus Price	\$553,965.00
Spares/Tooling Budget	<u>6,667.00</u>
RT 40’ Low Floor CNG Base Unit Price	\$560,632.00

30 buses @ \$560,632.00 per bus plus applicable sales tax

The price of \$560,632.00 per bus includes delivery, Clever Devices Intelligent Vehicle System, cameras, GFI farebox, training, ADA equipment, RT’s custom paint scheme, spare parts/tooling, and BRT Plus styling, which is a sleek, aerodynamic design that incorporates a raised, raked-back front cap blended into a full length, contoured roofline.

The base bus price remains fixed for any orders placed within a period of 180 days from Notice to Proceed by CCCTA, which is February 11, 2014. The price(s) of any buses or equipment ordered after the initial 180-day period will be that quoted (Base Offer per bus) plus or minus any adjustment which will be calculated based on the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index (PPI) Category 1413, “Trucks and Bus Bodies.” However, in no event will the price(s) for any order issued exceed, by more than five percent, the price(s) that would have been in effect 12 months prior to the date of issuance of the order.

FTA regulations require that transit districts conduct a price or cost analysis to determine the reasonableness of the price. Staff reviewed contracts awarded to Gillig by Riverside Transit, San Diego Transit, Metro RTA (Ohio), and a Pennsylvania state consortium for buses with similar features. After a thorough review and comparison of contract pricing from multiple agencies, staff has determined the price to be fair and reasonable.

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Staff recommends the Board award a 5-year Contract to Gillig Corporation for RT's initial purchase of 30 buses for an amount not to exceed \$16,818,960.00 plus applicable sales tax, and delegate authority to the General Manager/CEO to execute amendments for the remaining 66 buses, as funding becomes available during the term of the Contract, and delegate authority to the General Manager/CEO to execute amendments to the Contract to increase the not-to-exceed amount by up to \$500,000, in the aggregate.

RESOLUTION NO. 13-12-_____

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

December 9, 2013

**AWARDING A CONTRACT FOR PURCHASE OF TRANSIT BUSES
TO GILLIG LLC AND DELEGATING AUTHORITY TO THE
GENERAL MANAGER/CEO TO EXECUTE AMENDMENTS TO THE CONTRACT**

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

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "RT," and Gillig Corporation, therein referred to as "Contractor," whereby Contractor agrees to supply 30 forty-foot low-floor CNG buses, and specified training and spare parts, for a not-to-exceed amount of \$16,818,960 plus applicable state and local taxes, and RT has the option to purchase up to 66 additional buses, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Contract.

THAT, the General Manager/CEO is hereby authorized to execute amendments to said Contract to purchase up to 66 additional buses, as funding becomes available

THAT, the General Manager/CEO is hereby authorized to execute amendments to said Contract for bus configuration changes, not-to-exceed \$500,000 in aggregate.

THAT, the General Manager/CEO must report, at least annually, on the number of buses procured under this delegation, the sources of funding, the plan for future acquisitions/amendments, whether the price remains fair and reasonable, and whether any other viable bus technologies exist.

PATRICK HUME, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary