

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	07/22/13	Open	Action	07/09/13

Subject: Approving a Second Amendment to the Contract for On-Call ZF Automatic Transmission Overhaul Services with HD Industries

ISSUE

Whether or not to Approve a Second Amendment to the Contract for On-Call ZF Automatic Transmission Overhaul Services with HD Industries.

RECOMMENDED ACTION

Adopt Resolution No. 13-07-_____, Approving a Second Amendment to the Contract for On-Call ZF Automatic Transmission Overhaul Services with HD Industries.

FISCAL IMPACT

Budgeted:	Not Fully Funded	FY 14:	\$	202,549.52
	Reqs created as needed			
Budget Source:	Operating			
Funding Source:	Local			
Cost Cntr/GL Acct(s) or	CC: 34			
Capital Project #:	GL: 630020			
Total Budget:	\$ 202,549.52			

DISCUSSION

On August 9, 2010, the RT Board awarded a contract for On-Call ZF Automatic Transmission Overhaul Services with HD Industries. RT’s current bus fleet is equipped with ZF transmissions and includes 86 buses with more than 200,000 miles and 27 buses with more than 300,000 miles. In a recent cost comparison, RT staff found that with other companies providing ZF Automatic Transmission Overhaul Services, RT staff found that HD Industries continues to provide the most competitive pricing and services. Services are performed on an as needed basis. The Contract was awarded for a 3-year term, with an option to renew for two additional 1-year periods.

On April 29, 2011, the First Amendment to the Contract was executed, which added the FTA Drug and Alcohol Testing Requirements. Per 49 C.F.R. Part 655, safety-sensitive contractors must establish and implement a drug and alcohol testing program and provide corroborating documentation necessary to establish its compliance with Part 655. On September 14, 2011, RT’s Employee Relations Department notified staff, via email, that an internal audit of RT’s safety-sensitive contractors was complete. RT’s Employee Relations Department determined that HD Industries was excluded from the drug and alcohol testing requirement because the work they perform qualifies under a legal interpretation made by FTA. The interpretation excludes

Approved:

Presented:

Final 7/11/2013

General Manager/CEO

Director, Bus Maintenance

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contractors performing 'repair-and-return service' work to comply with the safety-sensitive requirement. FTA deems this type of contract work as not being safety-sensitive. Because HD Industries does not need to comply with 49 CFR Part 655, staff recommends removing this requirement from the Contract in the Second Amendment.

Staff recommends the Board approve a Second Amendment to the Contract for On-Call ZF Automatic Transmission Overhaul Services with HD Industries, by which RT exercises its option to extend the Contract for a 1-year period (fourth year), commencing on the current expiration date of the contract (August 30, 2013) and deletes the requirement that HD Industries comply with 49 CFR Part 655.

RESOLUTION NO. 13-07-_____

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

July 22, 2013

**APPROVING A SECOND AMENDMENT TO THE CONTRACT FOR ON-CALL ZF
AUTOMATIC TRANSMISSION OVERHAUL SERVICES WITH HD INDUSTRIES**

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

THAT, the Second Amendment to the Contract between Sacramento Regional Transit District, therein referred to as "RT," and HD Industries, therein referred to as "Contractor," whereby RT exercises its option to extend the Contract for 1 additional year, commencing on August 30, 2013, is hereby approved, and deletes the requirement that Contractor comply with 49 CFR Part 655.

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

PATRICK HUME, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary