

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	02/25/19	Open	Action	02/20/19

Subject: Delegate Authority to the General Manager/CEO to Award a Contract with Proterra, Inc. and Approve the Fourth Amendment to FY 2019 Capital Budget

ISSUE

Whether or not to delegate authority to the General Manager/CEO to award a contract for Purchase of Twelve 40 Foot Catalyst E2 Buses to Proterra, Inc. and approve the Fourth Amendment to the Fiscal Year 2019 Capital Budget

RECOMMENDED ACTION

- A. Adopt Resolution 19-02-____, Delegating Authority to the General Manager/CEO to Award a Contract for Purchase of 12 40-Foot Catalyst E2 Buses to Proterra, Inc., and
- B. Adopt Resolution 19-02-____, Approving the Fourth Amendment to the Fiscal Year 2019 Capital Budget.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	12.1 Million (Capital)
Budget Source:	Operating/Capital	Next FY:	\$	Est. 0.7 Million (Operating) **
Funding Source:	Electrify America*	Annualized:	\$	Est. 0.7 Million (Operating)**
Cost Cntr/GL Acct(s) or Capital Project #:	B162 UC Davis/Med Center ZEB Procurement	Total Amount:	\$	12.8 Million

*Note: SacRT will seek full reimbursement for the capital acquisition costs from Electrify America.

**Note: Based on current cost assumptions, this is the estimated maximum annual operating cost that SacRT would incur in the first three years of service, if attempts to secure funding from other sources, including the UC Davis Medical Center or UC Davis are unsuccessful, and service is not scaled back from proposed 15 minute peak frequencies.

DISCUSSION

In September 2018, by Resolution No. 18-09-0100, the SacRT Board delegated authority to the General Manager/CEO to enter into a Cooperative Agreement with Electrify America and the Yolo County Transportation District (“YCTD”). Under the terms of executed Cooperative Agreement, SacRT and YCTD are responsible for entering into contracts to acquire 12 zero-emission buses and associated equipment, with Electrify America paying the acquisition cost. SacRT and YCTD have agreed that SacRT will take the lead in the bus procurement, with six vehicles to be provided to each agency. In 2018, Electrify America was established to

Approved:

Presented:

Final 02/20/19

General Manager/CEO

VP, Maintenance

J:\Board Meeting Documents\2019\03 February 25, 2019\Electrify America - Proterra with Legal and Finance Comments 2-19-19.docm

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distribute funds as part of the Volkswagen settlement with the California Air Resources Board (CARB). The Cooperative Agreement requires that the buses be delivered by December 31, 2019 to comply with California Air Resources Board (CARB) requirements.

This project is to provide shuttle service between the UC Davis campus and the UC Davis Medical Center using electric battery buses funded by Electrify America. This service would be operated jointly by SacRT and YCTD, subject to a separate agreement between SacRT and YCTD, the details of which have yet to be finalized. The annual cost to operate this service at 15-minute frequencies is estimated at \$2.4 million per year. The Sacramento Area Council of Governments (SACOG) awarded \$3 million in 2018 Regional Program grant funds to help subsidize the costs of the service. Other sources are being explored to cover the remaining operating costs, including UC Davis Medical Center and UC Davis. If these are not successful, based on current cost assumptions, SacRT would be responsible for covering up to an estimated \$700,000 per year for the operations of the service, with YCTD covering an equal amount, or service levels would be reduced to match the available funding.

Public Utilities Code Section 102222 requires SacRT to conduct a competitive solicitation for the acquisition of supplies in excess of \$100,000. However, due to the Electrify America requirement that the buses be delivered by December 31, 2019, there is no time for SacRT to conduct its own competitive procurement for the buses.

Article III, Section 1.407.A of the SacRT Administrative Code allows SacRT to enter into cooperative purchasing agreements for Supplies or Services through Contracts of other public entities without competitive bidding by SacRT 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 Federal Transit Administration (FTA) encourage recipients to procure goods and services jointly with the recipients to obtain better pricing through larger purchases.

In late 2017, the State of Georgia issued an eRFP for “Supplemental Mass Transit & Transportation Vehicles and Related Equipment and Accessories.” On June 28, 2018, the state issued a Notice of Award for the RFP, which included award to Proterra for the 40-Foot Catalyst bus. The contract specifies a base price for the selected bus, and also includes “ala carte” pricing for various options to customize the bus for different purchasers. The contract term began July 1, 2018 and has been amended to extend through June 30, 2020. While the original solicitation limited use of the contract to public agencies within Georgia, the First Amendment authorizes any public agency to purchase under the established schedule and contract.

At this time, Staff is still negotiating the configuration and supplemental contract terms with Proterra, Inc. and, therefore, the contract is not ready for the Board to award.

Staff recommends (1) delegating authority to the General Manager/CEO to award a contract for the purchase of twelve 40 foot Catalyst E2 buses with Proterra, Inc. using the Georgia state

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purchasing schedule and (2) approving the Fourth Amendment to the Fiscal Year 2019 Capital Budget to increase the Capital Budget by \$12.1 million for the UC Davis/Med Center ZEB Procurement Project.

RESOLUTION NO. 19-02-_____

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

February 25, 2019

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO AWARD A
CONTRACT FOR PURCHASE OF 12 40-FOOT CATALYST E2 BUSES TO
PROTERRA, INC.**

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

THAT, the Board hereby delegates authority to the General Manager/CEO to award an execute a contract for purchase of 12 40-Foot Catalyst E2 Electric Buses to Proterra, Inc. for an amount not to exceed \$10,000,000 using the Georgia state purchasing schedule.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 19-02-_____

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

February 25, 2019

APPROVING THE FOURTH AMENDMENT TO THE FISCAL YEAR 2019 CAPITAL BUDGET

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

THAT, the Fourth Amendment to the Fiscal Year 2019 Capital Budget to increase the Capital Budget in the amount of \$12,100,000 for the UC Davis/Med Center ZEB Procurement Project, is hereby approved.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary