

REGIONAL TRANSIT AUTHORITY

RESOLUTION NO. 98-16 BACKGROUND AND COMMENTS

Meeting:	Date:	Agenda Item:	Staff Contact:	Phone:
Finance Committee	4/2/98		Veronica Parker, Program	206-689-3533
Executive Committee	4/3/98	9	Manager, Regional Bus	
Board of Directors	4/9/98	7b-3	Agnes Govern, Director, Regional Express	206-684-1673

ACTION:

Approval of Resolution 98-16, authorizing the execution of a contract with New Flyer of America for the purchase of twenty-five 60' buses, with an option to purchase up to fifty additional 60' buses.

There are three different options for the Board to consider:

1. Exercise Community Transit's option with bus delivery to occur in 2000 (pending successful negotiations with New Flyer of America on delivery dates).
2. Approve a contract with New Flyer using Community Transit's specifications for low floor buses and receive delivery of twenty-five 60' buses by year-end 1999 (with an option to purchase up to fifty additional 60' buses to be delivered later).
3. Approve a contract with New Flyer using King County's specifications for standard floor buses and receive delivery of twenty-five 60' buses by year-end 1999 (with an option to purchase up to fifty additional 60' buses to be delivered later).

BACKGROUND:

Sound Move included funding for the implementation of 20 regional express bus routes. The cash flow included money for the purchase of 175 buses. We received previous Board approval to proceed with a bus procurement process by exercising options held by existing transit agencies, specifically King County's contract with Gillig for standard floor buses and Community Transit's contract with New Flyer for low floor buses. This was the strategy chosen to allow us to procure buses for start-up of service at the end of 1999.

However, in initial discussions with New Flyer of America on the exercise of the Community Transit option for 60' buses, we learned that due to recent changes in Buy America regulations (requiring axles to be assembled in the United States), it would not be possible for us to exercise the Community Transit option and get buses delivered by the end of 1999. Staff then reviewed alternatives that would still meet Sound Transit's goal of having buses available for year-end 1999 start-up. (See alternatives below.)

It should be noted that both alternatives with 1999 delivery dates would mean that New Flyer would be using their current operations and facilities which do comply with prior Buy America requirements that a majority of the bus components be manufactured in America but do not meet the most recent change requiring axles to be assembled in the United States.

ALTERNATIVES:

	Exercise Option	Piggyback on Existing Competitive Procurement Process	
	CT Option	KCM Specifications	CT Specifications
Delivery:	Year end 2000	April 1999	April 1999
Price:			
• Base	\$391,915	\$375,708	\$391,915
• Mandatory Add-ons			
- A/C	16,950		16,950
- Interior Surveillance	1,750		1,750
• Tools & Training	(TBD)	(TBD)	(TBD)
Total Price	\$410,615	\$375,708	\$410,615
Floor Height	Low Floor	Standard Floor	Low Floor
Approximate Seating Capacity:	57	64	57
Additional Benefits:	Lower step height. Lower maintenance costs due to lack of wheelchair lifts.	Operating cost savings due to uniformity of inventory.	Lower step height. Lower maintenance costs due to lack of wheelchair lifts.

STAFF RECOMMENDATION:

Staff recommends the use of the King County Metro 60' specifications that New Flyer of America is currently manufacturing. New Flyer has agreed to allow the RTA to take advantage of the contract price, terms, and conditions negotiated by King County Metro in 1996 when they conducted a competitive procurement to obtain 60' buses. The King County procurement was a Request for Proposal (RFP) solicitation, using a two-step competitive negotiation process. The first step was a submittal of proposals which were subject to evaluation and negotiation. The second step consisted of a Best and Final Offer (BAFO) that was evaluated for the purpose of award. After evaluating the best and final offers, King County awarded the contract to New Flyer.

For a number of reasons, it is highly recommended that the RTA use the King County (standard height) technical specifications for the RTA buses. This strategy will provide consistency in design (i.e.; mirrors, driver's station, wiring configuration, and floor height) with the 40' Gillig Regional Express bus that is currently being developed for contract. It will also give the RTA bus fleet the greatest seating capacity for the lowest price. However, staff realizes that this recommendation is a change in direction set by the Board and warrants full discussion if it is to be changed.

RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

- Adoption of *Sound Move* (Resolution No. 32)
- Adoption of 1998 Budget (Resolution No. 101)
- Motion 98-3 approving bus procurement strategy (February 12, 1998)
- Finance Committee action on February 2, 1998, to recommend approval to the Board of a contract with New Flyer pending Executive Committee policy decision on high floor/low floor issue.
- Executive Committee decision on February 3, 1998, to refer the decision on bus floor height to the Board without a recommendation.

KEY FEATURES:

Description of scope – This contract is for the purchase of twenty-five 60' buses from New Flyer, based on King County Transit specifications or Community Transit specifications. It includes an option to purchase up to fifty additional 60' buses.

Cost: Not to exceed \$35 million.

Other Contract Terms:

- Buses are warranted for one year or 50,000 miles, whichever comes first. In addition, there are warranty periods for specific components of the bus.
- The manufacturer must guarantee the availability of replacement parts at competitive prices for at least 15 years.
- The manufacturer must provide a performance/payment bond.
- There is a termination for convenience clause, a termination for non-appropriations clause, and a termination for default clause.
- There is a provision for change orders which requires a price/cost analysis of the change and negotiation of a final price agreement for the change.
- The contract provides for the buyer to provide a fleet inspector to be stationed at the bus-manufacturing site to perform technical liaison functions, inspect the work, witness performance and quality assurance testing, and conduct pre-shipment inspections.

FUNDING:

The 1998 budget includes \$72 million for bus acquisition. The initial cost of this contract is estimated to be approximately \$10 million, with options for additional buses adding approximately \$22 million to the initial cost should the options be exercised.

ALTERNATIVE TO ACTION ON ABOVE OPTIONS:

The Board could decide to not authorize this contract, resulting in an Invitation for Bid procurement process. The lead-time to complete this type of procurement process and manufacture the fleet will not meet the late-1999 implementation date.

CONSEQUENCES OF DELAY:

Given the current manufacturing climate, bus procurement has a lead-time of 12 to 24 months. Delay on this contract will jeopardize our ability to secure delivery dates that will meet the late-1999 implementation date. Articulated buses may not be available for Regional Express service until the end of 2000.

REGIONAL TRANSIT AUTHORITY

RESOLUTION NO. 98-16

A RESOLUTION of the Board of the Regional Transit Authority for the Pierce, King, and Snohomish Counties region authorizing a contract with New Flyer Industries for the purchase of twenty-five 60' buses with an option to purchase an additional fifty 60' buses.

WHEREAS, a Regional Transit Authority ("RTA") has been created for the Pierce, King, and Snohomish County region by action of their respective county councils pursuant to RCW 81.11.030; and

WHEREAS, on November 5, 1996, Central Puget Sound area voters approved local funding for *Sound Move*, the ten-year plan for regional high-capacity transit in the Central Puget Sound Region; and

WHEREAS, *Sound Move* included funding for the implementation of 20 regional express bus routes; and

WHEREAS, Community Transit has substantial experience and technical expertise in the bus procurement process, in the development of vehicle specifications, and in the negotiation of bus procurement contracts; and

WHEREAS, after developing a bus vehicle specification which has proven successful in providing transportation in the Puget Sound Region, Community Transit solicited and evaluated proposals submitted by competing bus manufacturers in the course of conducting a competitive bus procurement process, and thereafter determined that New Flyer Industries should be awarded a contract to manufacture buses for Community Transit based on its vehicle specification; and

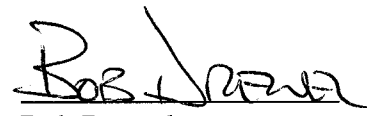
WHEREAS, the RTA has determined that the bus procurement process used by Community Transit is consistent with the procurement process required by the RTA, and that the vehicle specifications developed by Community Transit are well-suited to the RTA's needs; and

WHEREAS, the environmental impacts of this action to procure transit buses are within the range of environmental impacts and alternatives previously evaluated in the 1993 Final Environmental Impact Statement Regional Transit System Plan.

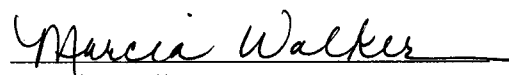
WHEREAS, it is in the RTA's best interest to procure buses from New Flyer Industries utilizing the vehicle specifications developed by Community Transit and utilizing the base contract terms, conditions, and warranties negotiated therewith:

NOW, THEREFORE, BE IT RESOLVED by the Board of the Regional Transit Authority that the Executive Director of the RTA is hereby authorized to execute a contract with New Flyer Industries for the purchase of twenty-five 60' buses with an option for an additional fifty 60' buses by the Authority utilizing the vehicle specifications developed by Community Transit and utilizing the base contract terms, conditions, and warranties negotiated therewith, provided that the purchase not exceed \$35 million.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 9th day of April 1998.


Bob Drewel
Board Chair

ATTEST:


Marcia Walker
Board Administrator