

MOTION NO. M2017-133
Bus Rebuild Services Contract

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration	11/2/2017	Final Action	Bonnie Todd, Executive Director, Operations Dave Turissini, Bus Operations Manager

PROPOSED ACTION

Authorizes the chief executive officer to execute a contract with Motor Coach Industries, Inc. to provide bus rebuild services in the amount of \$229,711, with a 10% contingency of \$22,971, for a total authorized contract amount not to exceed \$252,682 plus applicable taxes.

KEY FEATURES SUMMARY

- In October 2016, a Motor Coach Industries, Inc. (MCI) bus was damaged by an electrical fire and has been inoperable since.
- The bus operated from Pierce Transit's Lakewood base and is needed to maintain an adequate fleet size for Pierce and South King County service.
- The most cost effective action is to rebuild this bus rather than replace it.
- The rebuild contract amount includes transportation to and from MCI's shop in Des Plaines, Illinois.
- Applicable taxes are currently estimated to be \$23,201.

BACKGROUND

On October 13, 2016 a Sound Transit 2005 MCI over-the-road coach was on the bus base being prepped for revenue service when an electrical fire started in an electrical compartment located above and behind the operator's seat. While the fire was extinguished quickly, it resulted in moderate heat-related damage to the driver's area and smoke damage inside the bus.

An investigation into the cause of the fire found it to be the result of a faulty electrical switch. Subsequently all MCI buses in Sound Transit's fleet were examined, and where this model of switch was found, a new model was substituted. No further events have occurred.

An independent appraiser hired by Washington State Transportation Insurance Pool (WSTIP) estimated the cost of repairs to the bus to be \$220,224. The proposed price from MCI for repairs is \$229,711, or 4.3 percent higher than the appraiser's estimate. This is a reasonable variance given the complexity of the repairs. Per Sound Transit's fleet replacement policies, the bus has at least four more years of useful life. The insurance pool estimated that the remaining value of the bus (less deductible and salvage value) was \$106,812 and compensated Sound Transit in that amount.

The net cost to Sound Transit if the bus is repaired would be \$122,899, taking into consideration insurance proceeds. Annualized over four years that cost would be \$30,725 a year. The cost for a new bus would be approximately \$850,000, annualized over the 15 years lifespan of the bus, that would be \$56,667 a year. The net cost to Sound Transit is lower if repairs are done, and the rebuild avoids the operational issues of a one bus sub-fleet.

PROCUREMENT INFORMATION

Sound Transit issued a Request for Proposals for rebuild services for a fire-damaged bus on May 19, 2017. One proposal was received from MCI with a follow-up best and final offer. The BAFO was lower than the original bid. A price/cost analysis was performed to determine that the price was fair and reasonable.

FISCAL INFORMATION

The proposed action will be funded from the Purchased Transportation Services within the Operations Department annual operating budget. Sufficient funds are available in 2017 Purchased Transportation Services within the Operations Department to fund any unanticipated 2017 expenses associated with the execution of this contract. The 2018 Operations proposed budget includes estimated cost of \$252,682 for the bus rebuild. The proposed budget will be presented to the Board through the annual budget development process beginning in November.

SMALL BUSINESS/DBE PARTICIPATION, APPRENTICESHIP UTILIZATION, AND TITLE VI COMPLIANCE

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

Sound Transit determined that there were few Small Business and DBE subcontracting opportunities based upon the work described in this contract, so Small Business/DBE goals were not established.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

A one-month delay would not create a significant impact to the project schedule.

ENVIRONMENTAL REVIEW

KH 10/25/17

LEGAL REVIEW

AJP 10/27/17

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A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract with Motor Coach Industries, Inc. to provide bus rebuild services in the amount of \$229,711, with a 10% contingency of \$22,971, for a total authorized contract amount not to exceed \$252,682 plus applicable taxes.

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MOTION:


It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract with Motor Coach Industries, Inc. to provide bus rebuild services in the amount of \$229,711, with a 10% contingency of \$22,971, for a total authorized contract amount not to exceed \$252,682 plus applicable taxes.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 2, 2017.



Paul Roberts
Operations and Administration Committee Chair

ATTEST:



Kathryn Flores
Board Administrator