

**T** Transportation Committee  
 Meeting date: March 14, 2011  
 Council meeting: March 23, 2011

**ADVISORY INFORMATION**

<b>Date:</b>	March 8, 2011
<b>Subject:</b>	Authorization to Exercise Contract Options with Gillig Corporation
<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Council Policy 3-4-3a; Contract #07P162, Fleet Management Procedures
<b>Staff Prepared/Presented:</b>	Arlene McCarthy, MTS Director (651-602-1754) Micky Gutzmann, Acting Director Contract and Procurement (651-602-1741) Gerri Sutton, Assistant Director MTS (651-602-1672) Alex Curtiss, Manager Fleet Services (651-602-1487)
<b>Division/Department:</b>	Metropolitan Transportation Service (MTS)

**Proposed Action**

That the Metropolitan Council authorize the Regional Administrator to exercise an existing contract option on contract 07P162 with Gillig Corporation to purchase five forty-foot buses in an amount not to exceed \$2,100,000.

**Background**

The Council awarded contract 07P162 to Gillig Corporation in October 2007. The contract includes the purchase of 314 forty-foot buses with an option for up to an additional 300 forty-foot buses. Staff must receive Council approval prior to the exercise of options. MTS has five forty-foot buses scheduled for replacement in 2011. The base price on this contract for a diesel bus is \$404,606. Per the terms of the agreement, pricing on option buses is subject to a Producer Price Index escalation. The exact adjusted price of these buses will be established when the option is exercised.

**Rationale**

The buses requested in this action will replace five regional fleet vehicles assigned to MTS contractors that are eligible for replacement in 2011.

**Funding**

This capital project was previously included in the Metropolitan Council's Capital Improvement Plan and amended into the Authorized Capital Program on September 8, 2010, with Business Item 2010-261. These vehicles will be funded with \$1,680,000 (80%) Section 5307 Federal Formula funds and a required local match of \$420,000 (20%) Regional Transit Capital bonds.

**Known Support / Opposition**

There is no known opposition.