

T Transportation Committee
For the Metropolitan Council meeting of January 14, 2009

Item: SW 2009-22

ADVISORY INFORMATION

Date Prepared: January 13, 2009

Subject: Authorization to Award Contract for 26 Coach Buses

Proposed Action:

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a contract with Motor Coach Industries, Inc. for the purchase of 26 forty-five foot coach buses, with an option to purchase up to an additional 86 buses, in accordance with the Council's specification and Motor Coach Industries' Best and Final Offer, contingent on satisfactory results from the Buy America Pre-Award Audit.

Summary of Committee Discussion / Questions:

The Committee asked about the extended warranties to be purchased with the coach buses in light of Motor Coach Industries' filing for Chapter 11 bankruptcy. Staff explained that the only components on the coach with extended warranties will be the engine (Cummins) and transmission (Allison), and that the extended warranties will be registered directly with those manufacturers.

T Transportation Committee

Business Item
Item: 2009-22 SW

Meeting date: January 12, 2009

For Metropolitan Council meeting: January 14, 2009

ADVISORY INFORMATION

Date:	January 8, 2009
Subject:	Authorization to Award Contract for 26 Coach Buses
District(s), Member(s):	All
Policy/Legal Reference:	Council Policy 3-3 Expenditures – Procurement of Goods and Services Over \$250,000
Staff Prepared/Presented:	Brian Lamb, General Manager, 612-349-7510 Vince Pellegrin, Chief Operations Officer, 612-349-7511 Julie Johanson, Deputy Chief Operations Officer-Bus, 612-349-7514 Jan Homan, Director of Bus Maintenance, 612-349-5000 Chris Gran, Director of Purchasing, 612-349-5060
Division/Department:	Metro Transit

Proposed Action

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Background

Metro Transit requires 26 coach buses; 13 coaches will be used for expansion service associated with Urban Partnership Agreement and 13 coaches will replace forty-foot transit buses scheduled for retirement in 2009.

In August 2008, the Council issued a solicitation for proposals. Two proposals were submitted, from Coachworks Holdings and from Motor Coach Industries. Proposers were required to submit separate technical and price proposals, which were evaluated independently using the criteria set forth in the solicitation document. During the initial review of the proposals, the Evaluation Panel concluded that Coachworks Holdings does not currently have the technical capability to successfully accomplish the contract and that proposal was not considered further.

The Evaluation Panel rated the Motor Coach Industries (MCI) offer as "good". The proposal was rated particularly high in the areas of vehicle design and maintainability, history of performance of the proposed vehicle, and delivery schedule. The proposed unit price of \$504,925 (including delivery) is fair and reasonable when compared with recent prices paid by other transit agencies.

MCI's financial capability to successfully accomplish the contract was carefully reviewed in light of the fact that MCI filed for Chapter 11 bankruptcy in September 2008. MCI expects to emerge from Chapter 11 in the first quarter of 2009. The Council's Office of General Counsel was consulted during the evaluation, and the following steps will be put in place to protect the Council's interest: no payments will be made to MCI until coaches are delivered and accepted; MCI will provide a 10 percent performance bond as security for completion of the contract; extended warranties will be registered with the manufacturers; the Council reserves the right to withhold payment for late delivery; and the Council may terminate the contract if MCI fails to perform any provision of the contract.

Based on contract award and Notice to Proceed issued by January 23, 2009, MCI proposes to deliver the 26 coaches by August 14, 2009.

This procurement includes an option for the Council to purchase up to 86 additional coaches. The Council may approve exercising an option at any time over the next five years if there is a need for additional buses and if funding is available.

Rationale

The 26 coach buses will be used for UPA expansion service and to replace forty-foot transit buses scheduled for retirement in 2009.

Funding

Funds are available for 13 coaches under an UPA grant and for the other 13 coaches under federal grant MN-90X-249.

Known Support / Opposition

There is no known opposition.