

T Transportation Committee

Business Item

Item: 2009-363

Meeting date: October 12, 2009

For Metropolitan Council meeting: October 28, 2009

ADVISORY INFORMATION

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| Date: | October 5, 2009 |
| Subject: | Authorization to Exercise Contract Options with Motor Coach Industries |
| District(s), Member(s): | All |
| Policy/Legal Reference: | Council Procurement Policy; Council Contract #08P114; 2009 Operating Budget |
| Staff Prepared/Presented: | Arlene McCarthy, MTS Director (651-602-1754) Chris Gran, Director of Purchasing – Metro Transit (612-349-5060) Gerri Sutton, Assistant Director MTS (651-602-1672) Alex Curtiss, Manager, MTS Fleet Services (651-602-1487) |
| Division/Department: | Metropolitan Transportation Services (MTS) |

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to exercise purchase options on contract #08P114 with Motor Coach Industries (MCI) to purchase one coach in an amount not to exceed \$522,600.

Background

The Council awarded contract #08P114 to MCI in January 2009. The contract includes the purchase of 26 forty-five foot buses with options of up to an additional 86. Staff must receive Council approval prior to the exercise of options.

Prior Lake has been awarded a Job Access and Reverse Commute (JARC) grant to purchase a bus and prefers that MTS and Metro Transit staff lead the procurement process. Council staff will work with Prior Lake to match vehicle specifications with their service needs. The base price on this contract for a diesel bus is \$504,925. Per the terms of the agreement, pricing on option buses is subject to a Producer Price Index escalation.

MCI has informed Council staff that the 2010 EPA emissions standards will not apply to this coach if the order is placed by the end of this month. MCI has indicated that it intends to schedule production of this coach in early 2010 so that it will purchase the engine package in 2009 and therefore the new standards will not apply to the coach.

Rationale

The bus requested in this action will be used to operate reverse commute service using an FTA-approved JARC grant that will support both operating and capital costs. The Council approved the list of selected JARC projects on February 11, 2009.

Funding

The funding for this project was amended into the operating budget on September 9, 2009 as a capital outlay. The required local match will be funded by Prior Lake through a cooperative agreement. The maximum federal funding for the bus will be \$376,000, with the remaining balance paid by the City of Prior Lake. The JARC award was accepted from the FTA on September 3, 2009.

Known Support / Opposition

There is no known opposition.