

**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 Motor Coach Industries
<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Council Policy 3-4-3a, Council Contract #08P114, 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 Services (MTS)

**Proposed Action**

That the Metropolitan Council authorize the Regional Administrator to exercise an existing contract option on contract 08P114 with Motor Coach Industries to purchase one coach bus in an amount not to exceed \$540,000.

**Background**

The Council awarded contract 08P144 to Motor Coach Industries in January 2009. The contract includes the purchase of 26 forty-five foot buses with an option for up to an additional 86 forty-five foot buses. Staff must receive Council approval prior to the exercise of options. The base price on this contract for a diesel bus is \$525,949.52. Per the terms of the agreement, pricing on option buses is subject to a Producer Price Index escalation. The exact adjusted price of this option bus will be established when the option is exercised.

**Rationale**

In order to address overloads and customer requests, service on Route 467 from Lakeville to Minneapolis will be increased. The service change requires an additional peak bus.

**Funding**

The additional bus will be funded through a federal Congestion Mitigation and Air Quality (CMAQ) grant awarded to the Council. This capital project was previously included in the Metropolitan Council's Capital Improvement Plan and amended into the Authorized Capital Program on June 25, 2008, with Business Item 2008-152. This vehicle will be funded with 80% CMAQ funds and a required local match of 20% with Regional Transit Capital bonds.

The operating cost for Route 467 is 50% funded by CTIB with the remaining funded by the Council.

**Known Support / Opposition**

There is no known opposition.