

Committee Report

T Transportation Committee

Item: 2007_57

For the Metropolitan Council meeting – March 28, 2007

ADVISORY INFORMATION

Date Prepared: March 14, 2007

Subject: Authorization to Award Contract for 314 Transit Buses

Summary of Committee Discussion:

Staff responded to committee questions about fleet defect and training requirements.

Recommendation:

That the Metropolitan Council reject the Best and Final Offer submitted by New Flyer of America, Inc., due to New Flyer's material deviations from the requirements of the specification, and that the Metropolitan Council authorize the Regional Administrator to negotiate and execute a contract with Gillig Corporation for the purchase of 314 forty-foot transit buses, with an option for up to an additional 300 buses, in accordance with the Council's specification and Gillig's Best and Final Offer dated February 2, 2007, contingent on satisfactory results from the Buy America Pre-Award Audit.

T Transportation Committee

Meeting date: March 12, 2007

ADVISORY INFORMATION

Date:	March 5, 2007
Subject:	Authorization to Award Contract for 314 Transit 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 Vince Pellegrin, Chief Operating Officer Julie Johanson, Assistant General Manager-Administration Jan Homan, Director of Vehicle Maintenance Chris Gran, Director of Purchasing
Division/Department:	Metro Transit

Proposed Action/Motion

That the Metropolitan Council reject the Best and Final Offer submitted by New Flyer of America, Inc., due to New Flyer's material deviations from the requirements of the specification, and that the Metropolitan Council authorize the Regional Administrator to negotiate and execute a contract with Gillig Corporation for the purchase of 314 forty-foot transit buses, with an option for up to an additional 300 buses, in accordance with the Council's specification and Gillig's Best and Final Offer dated February 2, 2007, contingent on satisfactory results from the Buy America Pre-Award Audit.

Issue

Metro Transit must purchase 314 forty-foot transit buses during 2007 to 2011 to replace the 314 forty-foot buses that are scheduled for retirement during those years.

Overview and Funding

As a key component of the Council's Going Greener initiative, Metro Transit will replace 314 retiring buses over the next five years with 164 standard clean-diesel buses and 150 hybrid diesel-electric buses. The new fleet will significantly reduce tailpipe emissions, fuel consumption, and operating costs.

Metro Transit solicited proposals from bus manufacturers for 314 forty-foot, low-floor transit buses, including an option for up to 300 additional buses. Proposals were submitted by New Flyer of America and Gillig Corporation. Proposers were required to submit separate technical and price proposals, which were evaluated independently using the criteria set forth in the solicitation document. The Evaluation Panel concluded that both proposals fell within the competitive range. The Evaluation Panel met with each proposer to review their proposal in detail, including discussion of the proposer's requests for deviations and to clarify information or questions the Evaluation Panel had concerning the proposal. Based on these discussions, the Council amended its specifications and issued a Request for Best and Final Offers (BAFO) to the two proposers.

In evaluating the New Flyer BAFO, the Evaluation Panel found that New Flyer took material deviation from the Council's requirements. The New Flyer BAFO stated that "fleet defect clauses of any kind are valid only for the first year of the 2 year bumper to bumper warranty and they do not carry over nor are they applicable and/or valid for year 2." This deviates from the Council requirement for a two-year period for identifying fleet defects. The New Flyer BAFO also stated: "Training will be tracked as a dollar amount, and not by hours. All training performed for the duration of the contract will be charged to the Met Council at cost. Once training dollars are used up, the contractual training is considered complete, regardless of the actual number of hours provided."

This deviates from the Council requirement that the contractor provide 3,000 hours of training. The costs associated with these requirements were not included in the New Flyer BAFO. During discussions with the proposers, before the Request for BAFOs was issued, the Evaluation Panel thoroughly discussed the requests to change the fleet defect and training requirements. The Evaluation Panel by addendum did modify the fleet defect standard from 15 percent to 30 percent, and modified the training requirement from 5,000 hours to 3,000 hours. The Evaluation Panel determined the two-year fleet defect period and the 3,000 training hours were in the best interests of the Council. It was concluded that the New Flyer BAFO took material deviations from the requirements of the specification, and therefore could not be evaluated and must be rejected.

The Evaluation Panel rated the Gillig BAFO as “very good”. The proposal was rated particularly high in the areas of vehicle design and maintainability, quality assurance, history of performance of the proposed vehicle, delivery schedule, and warranty coverage. The proposed base price of \$346,462 (plus \$9,880 for extended warranty and \$3,230 for delivery) for the diesel bus and \$521,462 (plus \$37,000 for extended warranty and \$3,230 for delivery) for the hybrid bus is fair and reasonable when compared with recent prices paid by other transit agencies. The base prices are firm for the first 132 buses to be delivered in 2007 and 2008, and the total cost is \$56,558,904. The base price after the first 132 buses is subject to a Producer Price Index escalation. Assuming 3.3 percent annual escalation during 2009-2011, the total contract estimate for the 314 buses is \$149,318,090.

Gillig proposes delivery of the diesel pilot and the hybrid pilot buses by August 2007, and delivery of the first 132 buses completed by May 2008. Thereafter, the annual deliveries will be completed each June.

This procurement includes an option for up to 300 additional buses – 150 diesel and 150 hybrid buses. 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.