

T Transportation Committee
For the Metropolitan Council meeting of January 23, 2008

ADVISORY INFORMATION

Date Prepared: January 16, 2008

Subject: Northstar Commuter Coach/Cab Car Procurement

Proposed Action:

That the Metropolitan Council authorize the Regional Administrator:

- To negotiate and execute a funding agreement with the Minnesota Department of Transportation (MnDOT) for reimbursement of costs incurred by the Metropolitan Council in procuring the passenger cars.
- To negotiate and execute a contract with Bombardier Mass Transit Corporation, contingent upon execution of a funding agreement for reimbursement of costs from MnDOT, in the amount of \$43,950,123 to manufacture 12 coach and 5 cab bi-level commuter rail passenger cars for the Northstar Corridor Commuter Rail Project.

Summary of Committee Discussion / Questions:

General question from Meeks as to why there are not more bidders on projects of this size, answered by Rovang and Fuhrmann that this is a relatively small order for the industry. Question from Beach whether we looked into purchasing used vehicles, answered by Rovang that these vehicles are in demand and fully deployed around North America. Motion by Susag, seconded by Leppik, passed unanimously.

T Transportation Committee

Meeting date: January 14, 2007

For Metropolitan Council meeting: January 23, 2008

ADVISORY INFORMATION	
Date:	January 7, 2008
Subject:	Northstar Commuter Coach/Cab Car Procurement
District(s), Member(s):	All
Policy/Legal Reference:	Northstar Corridor Project Master Cooperation and Delegation Agreement
Staff Prepared/Presented:	Brian Lamb, General Manager, 612-349-7510 Mark W. Fuhrmann, Deputy General Manager, 651-602-1942 Richard M. Rovang, Asst. General Manager – TSD, 651-602-1941 Chris Gran, Director, Purchasing, 612-349-5060
Division/Department:	Metro Transit

Proposed Action

That the Metropolitan Council authorize the Regional Administrator:

- To negotiate and execute a funding agreement with the Minnesota Department of Transportation (MnDOT) for reimbursement of costs incurred by the Metropolitan Council in procuring the passenger cars.
- To negotiate and execute a contract with Bombardier Mass Transit Corporation, contingent upon execution of a funding agreement for reimbursement of costs from MnDOT, in the amount of \$43,950,123 to manufacture 12 coach and 5 cab bi-level commuter rail passenger cars for the Northstar Corridor Commuter Rail Project.

Background

The Metropolitan Council has agreed to act as the lead agency to procure rolling stock (locomotives and passenger cars) on behalf of the Northstar project. In order to provide service in late 2009, 17 passenger cars are necessary, consisting of 12 coach and 5 cab cars. Prior to issuing a request for proposals, the Northstar Project Office invited car builders to present potential vehicles for this service and to comment on the proposed technical specifications.

On July 23, 2007, a request for proposals was issued to prospective car builders. After receiving interest from several firms, one proposal was submitted by Bombardier on September 7th. Proposals were evaluated under a “Best Value” process which evaluates both the quality of the proposal and the cost. After an evaluation of Bombardier’s proposal by a technical panel, their submittal was found to meet the technical requirements. After the technical review, several negotiation sessions were held with Bombardier with a request to submit a Best and Final Offer issued on December 19th. Bombardier responded to this request on December 21st. After submission of the Best and Final Offer, further negotiations recently concluded and general agreement has been reached on price and contract provisions.

Rationale

Based on evaluations by staff and technical consultants, Bombardier’s proposal meets the needs of Northstar’s service. The proposed bi-level cars are service proven with almost 1000 vehicles currently in use for commuter service in North America. The price proposal is consistent with costs associated with other recent purchases and

was found to be fair and reasonable. The contract, at a price of \$43,950,123, includes production of the 17 vehicles, engineering, vehicle testing, training, manuals, field support, and spare parts.

Bombardier's proposed schedule provides the passenger cars in time to meet Northstar's revenue operations date. The preliminary schedule provided by Bombardier reflects delivery in May through July of 2009, which provides enough time to test the vehicles prior to revenue service. This contract provides options on additional vehicles for Northstar and three other transit agencies through December 31, 2012.

Funding

With the execution of Northstar's Full Funding Grant Agreement on December 11, 2007, local and federal funding to reimburse the Metropolitan Council has been committed. The Council will pay contractor invoices upon receipt and approval. There will likely be times when federal funding is not available. If this occurs, the Council will finance these payments. When federal funding becomes available, the Council will be reimbursed for principal and any interest incurred.

Execution of the contract with Bombardier will not be made until negotiation and execution of a definitive funding agreement between the Metropolitan Council and MnDOT providing funding for the procurement and a Buy America Pre-Award Audit is satisfactorily completed.

Known Support / Opposition

The Northstar Corridor Development Authority (NCDA) is expected to act recommending approval of this contract at their Board Meeting on January 10, 2008. Along with the NCDA, the State of Minnesota has shown support of Northstar with the commitment of bonding funds for its portion of the project. With the execution of the Full Funding Grant Agreement on December 11, 2007, the Federal government has confirmed its support of and commitment to funding their portion of the Northstar project.