

Transportation Committee

For the Metropolitan Council meeting of June 26, 2013

Subject: Authorization to Execute Contract No. 12P227, Procurement of 184 40-ft Transit Buses

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute Contract No. 12P227 with Gillig Corporation for the purchase of 184 replacement 40-ft transit buses, contingent on satisfactory results from the Pre-Award Buy America Audit.

Summary of Committee Discussion/Questions

Rob Milleson, Director of Bus Maintenance, introduced Chuck Wurzinger, Assistant Director of Bus Maintenance, who presented this item and answered questions from committee members about whether there are other contracts where Metro Transit is doing business with New Flyer, and about the price difference per unit from the bidders for the various bus types.

Council Member Munt: Said she is a proponent of Buy Minnesota and discusses the benefits for buying in Minnesota. She would like to know if we are still doing business with New Flyer.
Chuck W: We purchased two advanced hybrid buses from New Flyer last year and several groups of articulated buses over the last several years. Also, a new Request for Proposal (RFP) for 60-ft. buses will be coming up soon and New Flyer would have the chance to bid on that proposal.

Council Member Doan: Can you please tell me the price difference per unit between the two proposals? Is that information available?

Chuck W: Yes, the information is available. There was a \$25,000 difference between the Gillig diesel bus and the New Flyer diesel bus, with New Flyer being more expensive. With hybrid buses, there was a \$16,000 difference with Gillig more expensive. Over the mix of buses outlined in the RFP, New Flyer's proposal was \$2.1 million more expensive.

Chair Schreiber: Who performs that Buy America Audit?

Chuck W: We just learned today that Gillig will be performing the Buy America Audit.

Council Member Doan: For all the used buses that are going out of service, what happens to them? Are there buses that continue to carry a higher resale value than others?

Chuck W: We typically sell the buses through an auction. When buses reach this stage, they are very worn out and require a large amount of maintenance.

Brian Lamb: We receive approximate \$2,500 to \$6,500 per bus from auction. That money is reinvested into Metro Transit.

Council Member Reynoso: It is unfortunate that we are not able to keep the contract in Minnesota. New Flyer is looking to expand their business. New Flyer is in the process of creating a Mini Bus similar to the buses used in Metro Mobility via the use of a grant. In the future, we hope that New Flyer becomes more competitive to help keep jobs in Minnesota.

General discussion takes place about Minnesota Jobs.

Madam Chair moves to motion, motion to approve is offered by Doan, seconded by Smith, and the motion is passed unanimously.

Transportation Committee

Meeting date: June 10, 2013

For the Metropolitan Council meeting of June 26, 2013

Subject: Authorization to Execute Contract No. 12P227, Procurement of 184 40-ft Transit Buses

District(s), Member(s): All

Policy/Legal Reference: Council Procurement Policy

Staff Prepared/Presented: Brian Lamb, General Manager, 612-349-7510
Vince Pellegrin, Chief Operations Officer, 612-349-7511
Jan Homan, Deputy Chief Operations Officer, Bus 612-349-7514
Rob Milleson, Director, Bus Maintenance 612-349-5008
Chuck Wurzinger, Asst. Director Bus Maintenance, 612-349 5007
Micky Gutzmann, Director Contracts & Procurement, 651-602-1741

Division/Department: Metro Transit Bus Maintenance

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute Contract No. 12P227 with Gillig Corporation for the purchase of 184 replacement 40-ft transit buses for \$98,499,952. The award is contingent on satisfactory results from the Pre-Award Buy America Audit.

Background

Metro Transit and Metropolitan Transportation Services are replacing 184 40-ft buses over the next five years. The planned mix of standard and hybrid buses as specified in the contract is 124 diesel buses and 60 hybrid buses. The number of diesel and hybrid buses on the base order and on option orders may be adjusted over time dependent on need. Some of these buses may be ordered with optional equipment such as a BRT passenger amenity package.

An RFP was issued on January 14, 2013 and proposals were received from New Flyer of America and Gillig Corp. on March 1, 2013. An Evaluation Panel reviewed these proposals and requested Best and Final Offers from both companies on April 8, 2013. The Panel evaluated the BAFOs and is recommending that this contract be awarded to Gillig Corporation.

The evaluated price is \$438,033 per diesel bus and \$658,716 per hybrid bus. These prices are fair and reasonable based on comparisons to recent prices paid by the Council for 40-ft diesel and hybrid buses and recent proposed pricing. The contract amount, including 5% for Producer Price Index escalation, options and future advances in component technology, will be \$98,499,952.

Rationale

This investment reflects the Council's commitment to maintain and preserve regional transit investments and is in alignment with the objectives of the unified capital programming process.

Funding

The funding plan for these replacement buses is contained in the Capital Improvement Program.

Known Support / Opposition

There is no known opposition to the proposed action.