

# Committee Report

Transportation Committee



**Committee Meeting Date:** April 24, 2023,

**For the Metropolitan Council:** May 10, 2023

## Business Item: 2023-96

Contract 21P342 Amendment #1 with North Central Bus

### Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to execute an amendment to Contract 21P3442 with North Central Bus for a price increase of \$2,199,367 for a cumulative not to exceed amount of \$11,465,214.

### Summary of Transportation Committee Discussion/Questions

Metropolitan Transportation Services Fleet Services Manager Paul Colton presented this item. Council Member Chamblis asked for further explanation of the reasons for the price increases. Colton responded that they are due to significant increases in raw materials which affect the price of the construction of the bus, but also the parts that go into the bus build also are experiencing dramatic price increases.

It was moved by Carter, Toni, seconded by Vento,

**Motion carried. Hearing no objection, Chair Barber noted the item could go consent to Council.**



# Business Item

Transportation Committee



Committee Meeting Date: April 24, 2023

For the Metropolitan Council: May 10, 2023

## Business Item: 2023-96

Contract 21P342 North Central Bus - Amendment #1

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	FM 14-2 Expenditures for Procurement of Goods, Services, and Real Estate Policy Minn. Statute § 471.345
<b>Staff Prepared/Presented:</b>	Charles Carlson, Executive Director, MTS (651) 602-1761 Gerri Sutton, Director, Contracted Services MTS (651) 602-1672 Paul Colton, Manager, Fleet Services MTS (651) 602-1668
<b>Division/Department:</b>	Transportation / Metropolitan Transportation Services (MTS)

### Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to execute an amendment to Contract 21P3442 with North Central Bus for a price increase of \$2,199,367 for a cumulative not to exceed amount of \$11,465,214.

### Background

The Metropolitan Council approved Business Item 2021-282 for the purchase of 111 buses from North Central Bus on November 10, 2021, utilizing the State of Minnesota's 2021 Small Bus Cooperative Agreement. On December 1, 2022, the State of MN approved the first price increase submitted by North Central Bus which affects the first 49 buses in this Contract. This price increase is a result of a Ford chassis price increase to the 2023 model year and an increase in price to the Kelderman air ride suspension. In addition, MTS added several safety items to the order bringing the new price per unit from \$84,221 per bus to \$92,018.

On April 17, 2023, the State of Minnesota executed the second price increase which affects the remaining 62 buses to be built. In addition to the safety items MTS added to the bus order and the air-ride suspension increase there was a more significant chassis price increase with the new 2024 model as well as price increases from the bus body manufacturer Forest River for steel, stainless steel, fiberglass and component parts, labor, and transportation. This price increased from \$83,324 to \$113,016.

In anticipation of these price increases the Metropolitan Council approved Business Item 2023-35 JT (2023 Budget Amendment – Carryforward) which brought in additional capital funding to address the price increases for these projects.

This procurement uses the State of Minnesota's small bus contract which allows the Council to purchase small buses at a competitive price and meet all FTA requirements.

### Rationale

With significant supply chain issues, significant reduction in chassis production since 2021. It is critical that the Metropolitan Council continues to move forward with these bus purchases to

provide a reliable fleet for the Metro Mobility program and help ensure quality transit service for persons with disabilities. The buses that are scheduled for replacement have far exceeded the Council's replacement cycle of five years and 175,000 miles.

### **Thrive Lens Analysis**

This purchase supports safe and reliable transit infrastructure now and into the future for transit passengers throughout the region (sustainability) and enhances the quality of life for individuals with disabilities, allowing for transportation options (livability).

### **Funding**

The additional funding for these vehicles will come from Regional Transit Capital. These bus projects are approved in the current Capital Improvement Plan with the necessary funding to amend this Contract.

### **Small Business Inclusion**

The Office of Equity and Equal Opportunity (OEEEO) did not establish a Disadvantaged Business Enterprise (DBE) goal for this procurement. Transit vehicle manufacturers are required to submit DBE programs plans directly to FTA. The FTA maintains a list of approved transit vehicle manufacturers and the Council may only purchase transit vehicles from that list.

