

# Committee Report

Transportation Committee



**Committee Meeting Date:** May 13, 2024

**For the Metropolitan Council:** May 22, 2024

## Business Item: 2024-124

Procellis Contract Amendment

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute an amendment for contract 19P383A with Procellis Technology for an additional \$3,200,000 with a cumulative not-to-exceed contract amount of \$9,244,000.

### Summary of Transportation Committee Discussion/Questions

This item was presented by Leslie Sticht, there were no questions. It was moved by Chamblis, seconded by Morales. There were no questions or comments from Council Members.

Motion carried. Hearing no objection, Chair Barber stated the item may proceed consent to Council.



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Procellis Technology Contract Amendment

**District(s), Member(s):** All

**Policy/Legal Reference:** FM 14-2 Expenditures for the Procurement of Goods, Services, and Real Estate Policy

**Staff Prepared/Presented:** Charles Carlson, Executive Director MTS, 651-602-1761  
Gerri Sutton, MTS Director Contract Service, 651-602-1672  
Leslie Sticht, MTS Technology Manager, 651-602-1697

**Division/Department:** Metropolitan Transit Transportation Service

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute an amendment for contract 19P383A with Procellis Technology for an additional \$3,200,000 with a cumulative not-to-exceed contract amount of \$9,244,000.

### Background

Through a competitive process in 2019, MTS entered into an agreement with Procellis Technologies, a certified DBE, to install, maintain and decommission technology on MTS buses.

### Rationale

Prior to COVID, the replacement schedule for bus deliveries and resulting technology removals on retiring buses and installations on new buses was consistent flow from year to year involving about 140 vehicles per year. Vehicle manufacturing facilities shut down for an extended period because of supply-chain issues. The delay in vehicle manufacturing created a three year back-log in our replacement cycle. Buses are arriving now on an expedited schedule expected to last through 2025. The result is that Procellis is not able to complete technology decommissioning and installations at the pace needed to keep up with bus deliveries. There are over 70 buses currently parked at the dealership awaiting technology installation before they can be placed in service. More than 400 additional buses are scheduled for delivery in 2024 and 2025.

Expediting technology installations is critical to preserving service quality. The current fleet is far beyond its useful life, causing an undesirable number of in-service failures resulting in a negative customer experience. In addition, the Council is covering unanticipated repair costs for vehicle because they have exceeded the 5-year life cycle committed to in the service contract. The risk of failures and repairs increases every additional day the old buses remain in service.

In addition to the backlog of vehicles entering service, several on-board technology projects have launched since 2019 consuming more hours than originally anticipated in the contract.

The unanticipated technology projects and extraordinary number of vehicles delivered between 2024 & 2025 are driving the need to hire an additional crew to expand the volume of work between now and the end of 2025.

### **Thrive Lens Analysis**

The action advances the Thrive outcomes of Stewardship, Prosperity, Equity, Livability, and Sustainability. Activating new vehicles into revenue service is critical to delivering high quality service for Metro Mobility, Metro Move and Transit link customers and is essential to a positive transit customer experience.

### **Funding**

Funding for this amendment is available in the adopted 2024 operating budget and will be incorporated into the 2025 operating budget.

### **Small Business Inclusion**

The total DBE achievement on 19P383A – MTS Onboard Technology Maintenance Service is 100% to date. Procellis Technology is a DBE, exceeding the DBE contract goal established by the Office of Equity and Equal Opportunity (OEEEO).

