Business Item
Transportation Committee

Committee Meeting Date: March 11, 2024
For the Metropolitan Council: March 27, 2024

Business Item: 2024-23
Contract 22P305 & 22P372 Hoglund Bus - Amendment #1

District(s), Member(s): All
Policy/Legal Reference: FM 14-2 Expenditures for Procurement of Goods, Services, and Real Estate Policy Minn. Statute § 471.345
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Division/Department: Transportation / Metropolitan Transportation Services (MTS)

Proposed Action
That the Metropolitan Council authorize the Regional Administrator to execute amendments to:

1. Contract 22P305 with Hoglund Bus for a price increase of $376,700 for a cumulative not to exceed amount of $1,746,600; and
2. Contract 22P372 with Hoglund Bus for a price increase of $905,142 for a cumulative not to exceed amount of $4,014,178.

Background
The Metropolitan Council Approved Business Items 2022-216 on September 14, 2022, for the purchase of 10 small, fixed route buses for Southwest Transit; and 2022-272 on October 24, 2022, for the purchase of 10 MTS Transit Link buses, 14 MTS fixed route buses and 2 dial-a-ride buses for SouthWest Transit. Both Contracts utilize the State of Minnesota’s 2022 Small Bus Cooperative Agreement.

Since Council approval of these contracts in 2022, the State of Minnesota has worked with its small bus vendors, including Hoglund Bus, to review requested price increases that resulted from inflationary impacts and supply chain constraints. Areas resulting in price increase surcharges include air-ride suspension, 2024 Ford chassis, steel, stainless steel, fiberglass component parts, labor, and transportation.

Completing these bus purchases will help the Council provide a reliable fleet for all transit programs to ensure quality transit service for customers. The buses that are scheduled for replacement have far exceeded the Council’s replacement cycle of five years and 175,000 miles.

This procurement uses the State of Minnesota’s small bus contract which allows the Council to purchase small buses and meet all FTA requirements.

Rationale
The amendment of a goods contract exceeding 10% of the original authorized value requires Metropolitan Council approval. This approval is contingent on vendor price increase approval from the State of Minnesota Department of Administration and Council approval of 2024-15 JT 2024
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 by allowing for alternative transportation options (livability).

Funding
The additional funding for these vehicles will come from Regional Transit Capital. Several of these bus projects are included in Business Item 2024-15 JT 2024 Budget Amendment – Carryforward/1st Quarter. These projects are included in the Council’s Authorized Capital Program under project 36182.

Small Business Inclusion
The Office of Equity and Equal Opportunity (OEEO) 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.