

Transportation Committee

Meeting date: November 25, 2013

For the Metropolitan Council meeting of December 11, 2013

Subject: Rescind Business Item 2013-238 action and authorize execution of contract options with Gillig Corp. on behalf of the Minnesota Valley Transit Authority (MVTA)

District(s), Member(s): All

Policy/Legal Reference: 2014 and 2015 Capital Program

Staff Prepared/Presented: Arlene McCarthy, MTS Director (651-602-1754)

Micky Gutzmann, Director of Procurement (651-602-1741)

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Division/Department: Metropolitan Transportation Services (MTS)

Proposed Action

That the Metropolitan Council:

1. Rescind Business Item 2013-238 action authorizing the Regional Administrator to execute vehicle grant agreements with MVTA; and
2. Authorize the Regional Administrator to exercise an existing contract option to purchase 22 forty-foot transit buses in an amount not to exceed \$10,010,000 on behalf of Minnesota Valley Transit Authority (MVTA).

Background

The Council originally approved Business Item 2013-238 to enter into a grant that would allow MVTA to purchase 22 buses. Since this approval, MVTA has determined that using the Metropolitan Council's current contract with Gillig is the most advantageous for MVTA and the region. With concurrence from MVTA, the Council will issue the notice to proceed with Gillig and purchase the vehicles direct thus eliminating the need for the grant.

The Regional Administrator executed a contract, 12P227, with Gillig Corporation on July 30, 2013. The contract includes the purchase of 184 forty-foot buses with an option for up to an additional 76 forty-foot buses designated for MTS and the regional providers. Per the terms of the agreement, pricing on option buses is subject to a Producer Price Index escalation. The exact adjusted price of these option buses will be established when the option is exercised.

Rationale

MVTA has six buses scheduled for replacement in 2014 and twelve buses scheduled for replacement in 2015. These buses will have met the Federal Transit Administration (FTA) established minimum useful service life threshold prior to removal from service. An additional four expansion vehicles will be purchased for new service in Rosemount using Congestion Mitigation and Air Quality (CMAQ) funding.

Funding

The purchase of these replacement and expansion vehicles is an authorized project in the current Capital Improvement Plan. The replacement vehicles will be funded with 80% Federal Formula Funds and 20% RTC funds. The expansion buses will utilize 80% federal CMAQ funds and 20% RTC funds.

Known Support / Opposition

MVTA supports the proposed action.