Metro Mobility Bus Contract Amendments
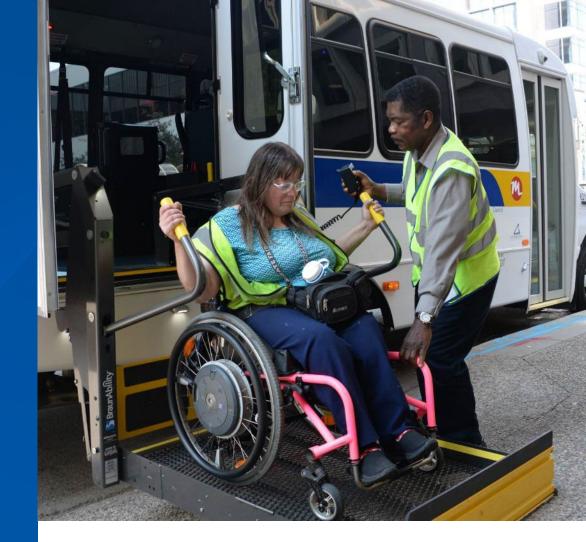
Transportation Committee

BI 2023-96

BI 2023-97

Paul Colton

April 24, 2023

Fleet Composition

Metro Mobility Fleet

- 629 vehicles (598 small buses & 31 SUVs)
- Useful life of small buses
  - FTA: 5 years <u>or</u> 150,000 miles
  - Council policy: 5 years <u>and</u> 175,000 miles
- 5-year replacement plan for budgeting purposes

Model Years	# buses	'22 YE Ave Mileage
2014-2016	135	327,355
2017	156	234,377
2018	99	135,324
2019	208	159,404

Financial Outlook

- Bus pricing has increased in response to supply issues, high continued nationwide demand for van chassis and buses
  - 2019 pricing around $71,000/bus (past inflation 2-4%)
  - 2021 contract pricing of $85,000, increasing to $115,000
  - 2022 contract pricing expected to increase to $150,000
  - 2023 contract pricing potential of $165,000/bus

- 2023-35JT Carryforward Capital Budget amendment (adopted March 8, 2023) authorized $15.7M to address anticipated price increases for 2021 & 2022 orders
- MTS will need an additional $5M to cover 2023 increases and an estimated additional $8M to address 2024 prices
- Prices are anticipated to stabilize after 2023 as supply chain recovers

Other Mitigation Strategies

- Exploring the market for readily available accessible vehicles

- Purchasing up to 20 minivans with side ramp

- MTS is supporting maintenance costs that are attributed to excess vehicle age and mileage

- Holding back retired buses for parts and body panels so repairs can be completed in a timely manner

Requested Action

BI 2023-96

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.

BI 2023-97

That the Metropolitan Council authorizes the Regional Administrator to execute an amendment to Contract 21P228 with North Central Bus for a price increase of $4,309,164 for a cumulative not to exceed amount of $16,225,858.