



**REVISED**  
**OPERATIONS COMMITTEE**  
**MARCH 17, 2011**

**SUBJECT: 40' BUS PROPOSAL SOLICITATION**

**ACTION: AUTHORIZE PROPOSAL SOLICITATION FOR 40' BUSES**

**RECOMMENDATION**

A. The Board finds that the procurement of 40' advanced transit buses under Public Utilities Code § 130232 low bid requirement, does not constitute a procurement method adequate for MTA's needs. The Board hereby authorizes procurement of these 40' advanced transit buses pursuant to Public Contracts Code (PCC) §20217 for procurement by competitive negotiation.

Requires Two-Thirds Vote

B. Authorize the Chief Executive Officer (CEO) to solicit a Best Value Request for Proposal (RFP) for a contract to purchase up to 700 advanced transit buses, as a competitive negotiation pursuant to PCC § 20217 and MTA's Procurement Policies and Procedures.

C. Authorize staff to include RFP terms and conditions, evaluation criteria and proposal requirements designed to create employment opportunities in Los Angeles County. These solicitation requirements will be introduced as an Alternate Proposal path that will only be used for source selection and award if the Federal Transit Authority grants approval of these unconventional requirements prior to May 31, 2011.

D. Approve recruitments to add one FTE beginning April 1, 2011 to Transit Operations to provide dedicated project management and engineering support and one FTE also beginning April 1, 2011 to Administrative Services – Procurement to provide dedicated project and procurement support for the life of the capital project.

E. **In a separate action, the Advanced Transit Vehicle Consortium (ATVC) will seek authorization from its Board to approve a separate RFP that would be released simultaneously to this Best value RFP to obtain up to 30 zero emission revenue vehicles that can be assessed as a pilot prototype program.**

## **ISSUE**

This action authorizes the initiation of a new competitive solicitation for 40' transit buses as described in PCC §20217. Between FY12-FY14, MTA will require at least 700 buses to replace buses that will reach their useful life during this period.

The use of a "Best Value" competitive negotiation process will provide for consideration of such factors as:

- Broadest possible range of competing products and materials available
- Fitness of purpose
- Manufacturer's warranty
- Vendor financing
- Performance reliability
- Standardization Life cycle costs
- Delivery timetables
- Support logistics
- Other similar factors in addition to price in the award of these contracts

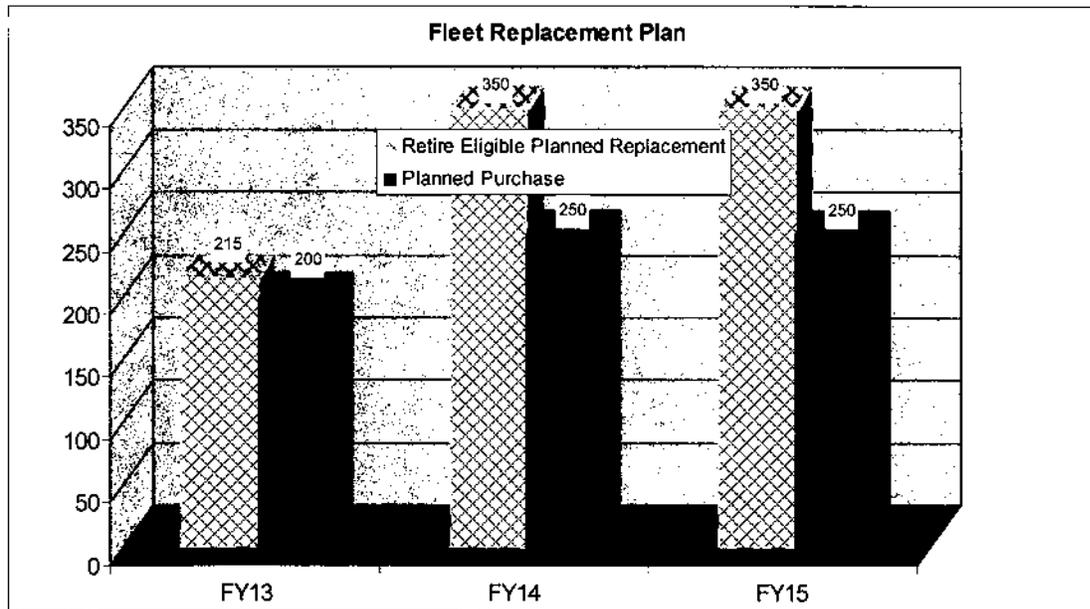
Utilization of this process for this procurement will also permit discussions with the proposers to evaluate the performance and reliability of the proposed components, warranty factors, cost data and delivery time tables to determine the bus most suited for MTA's needs.

Staff does not recommend using a conventional low-bid procurement approach. Use of low bid will not allow us to consider alternative new technologies that could help reduce bus fleet operating costs, improve fleet emissions, and/or increase bus fleet reliability.

As part of this solicitation, staff intends to quantify the value of advanced design features such as lightweight vehicle construction, the use of corrosion resistant materials and advanced construction techniques. The intent of this procurement is to provide MTA with highly durable vehicles that will help reduce maintenance and operating costs.

## **DISCUSSION**

Routine replacement of bus fleet rolling stock is a normal part of MTA's operation. Use of a negotiated procurement approach for these acquisitions helps ensure that vehicles procured are best suited for MTA's operational requirements. MTA's projected requirements for fleet replacement are outlined below:



The proposal requirements for the unconventional Alternate Proposal would follow the four elements that were approved by the Board for the Light Rail Vehicle RFP P3010 at its October 2010 meeting. The four requirements would include a Local Jobs Program, Enhanced Buy America requirements, a Metro managed DBE program, and Local environmental rules that would apply to all bus manufacturers. The alternate approach would follow along the same path as P3010 for evaluation and source selection, including the elimination of the Alternate approach if FTA approval is not obtained by May 31, 2011.

### **ALTERNATIVES CONSIDERED**

Staff considered not proceeding with the purchase of these buses. This alternative is not recommended as deferring the purchase of these new vehicles would require MTA to continue operation of buses that have reached the end of their usable design life. In many cases, continuing to operate our oldest buses would require replacement of CNG fuel system components which can be very costly.

A second alternative considered by staff was to use a "low-bid" procurement approach rather than procuring these vehicles using a negotiated procurement. A low-bid procurement approach is not recommended due to the technically sophisticated nature of these vehicles.

Staff also considered purchasing additional 45' buses. At this time, staff has determined that MTA's bus fleet has enough articulated 60' and 45' composite buses to effectively cover MTA's highest ridership lines that require larger vehicles. In recent years, MTA has moved aggressively to acquire high-capacity vehicles, and has purchased 391 articulated 60' buses, and 492 45' composite buses. Currently, almost 40% of MTA's bus fleet consists of higher capacity buses (more than 40 passenger seats).

## **FINANCIAL IMPACT**

Funds required to issue this procurement are included in the FY12 budget in projects 201053 and 306002, Cost Center 3320 Vehicle Technology. Once this solicitation is completed, Staff will return to the Board to authorize the contract award and to establish a life-of-project budget for these buses.

### **Impacts to Bus and Rail Enterprise Fund Operating and Capital Budgets**

The source of funds for the buses will be identified at the time of contract award. Most likely they will be funds eligible for bus and rail operations and capital.

Funding for these buses is included in MTA's adopted Long Range Plan and Ten-Year Financial Forecasts. The final decision and commitment to buy buses will be made after the solicitation is complete and the total cost of the buses is known. If this action is approved, funding for this procurement would then be identified and committed as part of the annual update of the FY12-FY15 Capital Program and Ten-Year Forecast. These forecasts currently include over \$460 million for anticipated bus replacements during this period. The Chief Operating Officer and the Project Manager will be responsible for budgeting futures year costs for the life of the project.

## **NEXT STEPS**

If this action is approved, staff would proceed with a new Best Value solicitation for 40' buses.

This action will provide MTA with a four (4) year window during which we can test out zero emissions bus (ZEB) prototype buses prior to our next bus procurement.

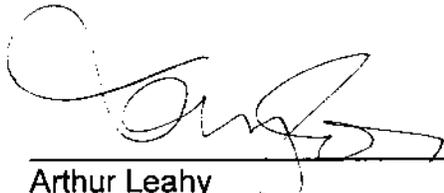
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Prepared by: John Drayton, Manager of Vehicle Technology  
Joe Marzano, Contract Administration



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for Lonnie Mitchell  
Chief Operations Officer



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Arthur Leahy  
Chief Executive Officer