



**May 1, 2015**

**The Honorable Members of the Board of Supervisors  
City and County of San Francisco  
1 Dr. Carlton Goodlett Place, Room 244  
San Francisco, CA 94102**

***Subject: Request for Approval – Amendment No. 1 to Contract No. CPT 713 with New Flyer of America Inc., to change the propulsion system in six of the previously ordered buses from parallel propulsion to series propulsion; and to purchase an additional 48 standard and 50 articulated low floor diesel hybrid buses***

**Honorable Members of the Board of Supervisors:**

The San Francisco Municipal Transportation Agency (SFMTA) requests that the San Francisco Board of Supervisors approve Amendment No. 1 to Contract No. CPT 713 (the Contract) with New Flyer of America Inc. (New Flyer). The purpose of this Amendment is to exercise Option No. 1 of the Contract to purchase an additional 48 standard and 50 articulated low floor diesel hybrid buses, and to change the propulsion system from parallel propulsion to series propulsion in six of the 61 buses previously ordered under the Contract. Amendment No. 1 would increase the Contract amount by \$99,382,133, for a total Contract amount not to exceed \$167,639,669. There would be no change to the term of the Contract.

**Background**

On Dec. 2, 2014, the SFMTA Board of Directors adopted Resolution No. 14-172, authorizing the Director of Transportation to execute the Contract, initially for 61 articulated low floor diesel hybrid buses (base order). On Dec. 16, 2014, the Board of Supervisors adopted Resolution No. 471-14, approving the Contract. The Contract was signed and effective as of Dec. 30, 2014. In addition to the base order, the Contract includes five options, to procure up to 200 standard (40-foot) buses and up to 163 articulated (60-foot) buses, as well as associated spare parts, as set forth in the table below.

<b>Phase</b>	<b>40-ft Bus</b>	<b>60-ft Bus</b>
Base Order	0	61
2015 (option)	48	50
2016 (option)	41	48
2017 (option)	30	0
2018 (option)	36	35
2019 (option)	45	30
<b>Total</b>	<b>200</b>	<b>224</b>

SFMTA now wishes to exercise the 2015 option in the Contract in order to purchase 48 standard buses and 50 articulated buses, as well as associated spare parts, training, manuals, and special tools.

In order to gain experience with a different hybrid propulsion system technology on the articulated coaches, the SFMTA also wishes to amend the Agreement to change the base order quantity of 61 parallel propulsion articulated coaches to a combination of 55 parallel propulsion articulated coaches and six series propulsion articulated coaches.

In a parallel propulsion system, the engine is directly connected to the drive shaft of the bus in parallel with a motor that assists the engine propelling the bus forward. In a series propulsion system there is no direct connection between the engine and the drive shaft of the bus; the engine drives a generator, which in turn provides power to a motor that drives the drive shaft of the bus to propel the bus forward. This series propulsion system has proven to be more fuel-efficient in the standard buses that we have tested, and we wanted to observe if the articulated buses will also realize this fuel efficiency.

Of the 98 buses being purchased under this Amendment, SFMTA will be receiving 24 series propulsion standard coaches, 24 parallel propulsion standard coaches, 25 series propulsion articulated coaches, and 25 parallel propulsion articulated coaches.

### **Bid Process**

The 2014 SFMTA competitive solicitation would apply to the buses procured through this Amendment.

### **Alternatives Considered**

The alternative to exercising this option would be to rehabilitate the existing fleet to extend the lives of these buses. However, extending the lives of the existing buses would mean that the majority of SFMTA's fleet will continue to have diesel propulsion packages and will not be able to take advantage of the lower emissions offered by hybrid technology.

In view of the above, the best alternative available to the SFMTA is to purchase new hybrid coaches to replace its fleet of diesel coaches.

### **Funding Impact/Budget**

This Amendment No. 1 will increase the Contract amount by \$99,382,133, for a total contract amount not to exceed \$167,639,669. SFMTA has allocated a budget of \$111,252,323 to fund this Amendment. The budget includes the cost of the buses (as adjusted based on changes to the Producer Price Index (PPI)), capital spares, taxes, project engineering, maintenance support and consultant support. Following is a table with a breakdown of the budget:

<b>New Flyer Amendment No. 1</b>	<b>Cost</b>
Vehicles (48 40-ft buses and 50 60-ft buses and change in propulsion system of 6 buses in base order)	\$ 88,453,400
Tools & Diagnostics	\$ 3,340,353
Training	\$ 3,548,340
Spare Parts	\$ 4,040,040
<b>Subtotal New Flyer Contract Amendment No. 1</b>	<b>\$99,382,133</b>

<b>Other Associated Cost Items Amendment No. 1</b>	<b>Cost</b>
Tax (8.75%)	\$ 8,406,129
Warranty support	\$ 400,000
Project support (SFMTA staff, Other Direct Cost)	\$ 2,564,061
Consultant Support and Vehicle Inspection at Plant	\$ 500,000
<b>Subtotal Other Associated Cost Items Amendment No. 1</b>	<b>\$11,870,190</b>
<b>Total Cost Amendment No. 1</b>	<b>\$111,252,323</b>

<b>Total Project Cost Summary</b>	<b>Cost</b>
Base Order Contract Amount	\$ 68,257,536
Base Order Other Associated Cost Items	\$ 10,628,089
Amendment No. 1 Contract Amount	\$ 99,382,133
Amendment No. 1 Other Associated Cost Item	\$ 11,870,190
<b>Total Contract Amount Base Plus Amendment No. 1</b>	<b>\$190,137,948</b>

Amendment No. 1 will be funded by FTA Section 5307 funds, Proposition K Sales Taxes, and other local funds as detailed below.

<b>Project Funding Source</b>	<b>Amount</b>
Federal Grant	\$63,092,126
Proposition K Sales Tax	\$33,405,243
Other Local Funds	\$14,754,954
<b>Total Funding for Amendment No. 1</b>	<b>\$111,252,323</b>

### **SFMTA Board of Directors Action**

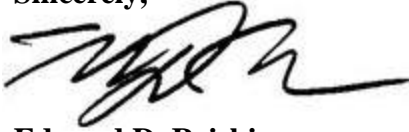
On April 21, 2015, the SFMTA Board of Directors approved Resolution No. 15-063 authorizing the Director of Transportation to execute this Amendment (see attached).

### **Recommendation**

The SFMTA recommends that the San Francisco Board of Supervisors adopt the resolution approving Amendment No. 1 to Contract No. CPT 713 with New Flyer.

Thank you for your consideration of this proposed amendment. Should you have any questions or require more information, please do not hesitate to contact me at any time.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Reiskin', written in a cursive style.

**Edward D. Reiskin**  
**Director of Transportation**

Attachments: SFMTA Board Resolution No. 15-063  
Amendment No. 1

