



October 4, 2013

**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
Contract with New Flyer of America for the Purchase of 50 40-foot 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 a Contract between the City and County of San Francisco and New Flyer of America Inc. for the purchase of 50 40-foot diesel-hybrid buses, in an amount not to exceed \$38,348,847 and for a term not to exceed six years.

The purpose of this project is to replace 50 Neoplan diesel buses in SFMTA's current fleet that have reached the end of their useful life. The new buses will be purchased from New Flyer of America Inc. through the Minnesota Cooperative Purchasing Venture (CPV). Purchasing the buses through the Minnesota CPV enables the SFMTA to reduce the time it normally takes for a major bus procurement by approximately nine months.

Background

The SFMTA's fleet includes 50 Standard (40-foot) buses manufactured by Neoplan that were delivered in 2001. These buses have reached the end of their service life and are ready to be retired from regular revenue service.

The SFMTA has been exploring alternative procurement avenues to reduce the time it takes to purchase replacement vehicles. Staff has determined that by purchasing replacement vehicles through the Minnesota CPV, it is possible to achieve this objective.

Minnesota's CPV, which was established by Minnesota Statute Section 16C.03, subdivision 10, allows eligible entities to purchase goods, certain services and utilities from contracts established by the Materials Management Division (MMD) for Minnesota state agencies. MMD issues competitive solicitations for vendors to provide goods, services and utilities to state agencies.

This program allows eligible governmental entities to use these contracts just like Minnesota agencies. Minnesota statute Section 471.59, subdivision 1, known as the Joint Powers Act, defines the governmental entities that may join the CPV program to include counties, cities, towns, townships, school districts, and other entities. The SFMTA is eligible to join the CPV under Section 471.59, subdivision 1. On March 6, 2012, the SFMTA Board of Directors adopted Resolution No. 12-029 which authorized the SFMTA to join the CPV.

In October 2012, Minnesota's MMD issued a competitive request for proposals (RFP) for 2013 Model Year transit buses, including heavy duty (Class 700) low floor diesel hybrid coaches, on behalf of the members of the Minnesota CPV (the Minnesota Procurement). The Minnesota Procurement complied with the third-party procurement requirements of the Federal Transit Administration (FTA).

The specifications of the buses in the Minnesota Procurement are broad enough to allow the SFMTA to customize the vehicles to meet the needs of the SFMTA so long as SFMTA's requirements do not require cardinal changes to the design of the vehicles.

Bid Process

SFMTA previously purchased 62 diesel hybrid buses from New Flyer of America Inc. New Flyer informed SFMTA that they have an open slot in their production line and that they are willing to hold the price for this bus procurement at the same level as our previous procurement in the SFMTA will award this bus procurement to New Flyer. In view of the price freeze and more importantly the immediate line entry of SFMTA's buses into production, staff has determined that it is in the best interest of the City to award the contract to New Flyer.

Description of Work

This procurement project is to purchase 50 40-ft low floor hybrid buses from New Flyer, Inc. The 50 buses in this latest procurement will have the BAE propulsion package and the same features the 62 buses recently purchased from New Flyer which include various enhancements to the basic bus, including a Closed Circuit TV system identical to the one that SFMTA will be installing in its other revenue vehicles, the wheelchair securement layout, a "proof-of-payment button" to enable patrons to enter the bus from the rear door, a rubber guard on the bus frame near the rear wheel, color destination signs, conduit for the new radio system and the same Vapor door with positive locks. The Contract also includes special tools and diagnostics equipment, training and an allowance for spare parts.

Alternatives Considered

SFMTA considered other alternatives, such as purchasing option vehicles from other transit authorities or purchasing vehicles through the regular RFP process. SFMTA deemed that purchasing the buses through the Minnesota CPV was the best alternative. Purchasing option vehicles from other transit authorities did not allow for the SFMTA to add the desirable features to the vehicles, and purchasing vehicles through the regular RFP process would take much longer than procuring them through the CPV.

Funding Impact

The total New Flyer contract is \$38,348,847. With tax, warranty support, staff project support and required vehicle inspections, the total project cost is \$44,463,740. Following is a detail of the project budget:

Total Project Budget

New Flyer Contract	Cost
Vehicles (50)	\$34,484,316
Tools & Diagnostics	\$130,015
Training	\$76,998
Signal Priority, Video and DVAS Wayside	\$1,357,518

New Flyer Contract	Cost
Infrastructure	
Allowance for Spare Parts	\$2,300,000
Subtotal New Flyer Contract	\$38,348,847

Other Associated Cost Items	Cost
Tax (8.75%)	\$3,348,787
Warranty support	\$230,000
Project support (SFMTA staff, Other Direct Cost)	\$1,936,106
Vehicle Inspection at Plant (FTA Required)	\$600,000
Subtotal Other Associated Cost Items	\$6,114,893
Total Project Cost	\$44,463,740

This project will be funded by FTA Section 5307 funds and Proposition K Sales Taxes as detailed below.

Financial Plan

Project Funding Source	Amount
Federal Grant	\$28,467,700
Proposition K	\$15,996,040
Total Funding	\$44,463,740

SFMTA Board Action

On October 15, 2013, the SFMTA Board of Directors will be considering adoption of a Resolution authorizing the Director of Transportation to execute the Contract with New Flyer of America in an amount not to exceed \$38,348,847 and for a term not to exceed six years.

Recommendation

The SFMTA recommends that the San Francisco Board of Supervisors authorize the SFMTA to enter into a Contract with New Flyer of America Inc. for the purchase of 50 40-foot diesel-hybrid buses in an amount not to exceed \$38,348,847 and for a term not to exceed six years.

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

Sincerely,



Edward D. Reiskin
Director of Transportation