



SFMTA
Municipal
Transportation
Agency

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April 24, 2017

**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. 2 to Contract No. CPT 632 with New Flyer of America Inc.,
to purchase an additional 185 standard low floor Electric Trolley 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. 2 to Contract No. CPT 632 (the Agreement) with New Flyer of America Inc. (New Flyer). The purpose of this Amendment is to purchase an additional 185 40-foot (standard) low floor electric trolley buses. Amendment No. 2 would increase the Contract amount by \$244,618,583, for a total Contract amount not to exceed \$395,067,312, with no change to the term of the contract.

Background

SFMTA has modernized its procurement program over the past five years with the goal of stabilizing the average age of the bus fleet, continuing to support San Francisco's environmental policies and anticipating and accommodating vehicle expansion and fleet mix needs. The 40-foot electric trolley bus procurement is the last significant piece of this five-year procurement strategy, replacing the SFMTA's oldest and most unreliable subfleet.

The existing 40-foot electric trolley buses manufactured by Electric Transit, Inc (ETI) are up to 17 years of age, with over half of the subfleet already exceeding its useful life. ETI is no longer in business and the Agency has struggled to obtain replacement parts for the aging coaches. The ETI coaches consume a disproportionate amount of bus maintenance resources. While accounting for only 23 percent of the miles driven on the rubber tire fleet, these vehicles are responsible for over 40 percent of mechanical related service delays incurred by the rubber tire fleet.

The procurement of New Flyer 40-foot electric trolley coaches will help improve service reliability to approximately 200,000 daily passengers that rely on the 40-foot electric trolley buses. The fifteen trolley routes serve neighborhoods with the City's steepest hills with historically high transit ridership.

In 2013, the SFMTA exercised its authority under the San Francisco Administrative Code to utilize the competitive procurement processes of another public agency to purchase commodities where the SFMTA determines that the other agency's procurement process is competitive and use of the other agency's procurement process would be in the City's best interests.

On December 6, 2013, the City entered into a Bus Options Assignment Agreement with King County, Washington and New Flyer, under which King County assigned to the City the right to purchase from New Flyer

up to a total of 240 40-foot electric trolley buses and 93 60-foot electric trolley buses from the options available under King County's Bus Procurement Contract with New Flyer.

After negotiating minor changes to the buses specific to the needs of the SFMTA, the City entered into Contract No. CPT 632 with New Flyer to purchase 60 60-foot electric trolley buses and associated spare parts, training, manuals, and special tools on February 26, 2014. On August 31, 2016 the City issued Contract Amendment No. 1 to purchase an additional 33 60-foot electric trolley buses and associated spare parts, training, manuals, and special tools, as authorized under the Bus Options Assignment Agreement.

The SFMTA now seeks to exercise an option under the Contract to purchase an additional 185 40-foot electric trolley buses and associated spare parts, training, manuals and special tools.

Bid Process

The 2012 King County competitive procurement process, which SFMTA deemed to be competitive, 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 electric trolley fleet will continue to be high floor design and will not be able to take advantage of the low floor design which improves the passenger flow and speeds up boarding and alight time. In addition, SFMTA anticipates that the parts needed to rehabilitate and continue to maintain the existing buses would become increasingly difficult and expensive to maintain. Also, patrons would not be able to avail themselves of features such as the newly configured wheelchair securement and new stroller storage space which the older fleet does not have.

In view of the above, the best alternative available to the SFMTA is to purchase additional new electric trolley buses to continue replacement of its fleet of old trolley buses.

Funding Impact/Budget

The purchase of the option vehicles under this Amendment will be funded through grants from the Federal Transit Administration and additional General Fund appropriation authorized under Proposition B, which was approved by the voters in November 2014.

A budget of \$265,623,242 has been allocated to fund this procurement, and sources for the funds have all been identified. The budget includes the cost of the buses, capital spares, training, manuals, special tools, and taxes, project engineering, maintenance support and consultant support.

This Amendment will increase the contract amount by \$ 244,618,583, for a total contract amount of \$395,067,312. Following is the detailed project budget:

New Flyer Amendment No. 2	Cost
Vehicles (185 40-ft electric trolley buses)	\$ 213,204,915
Spare Parts	\$ 6,000,000
Special Tools & Diagnostics	\$ 2,000,000
Training & Manuals	\$ 2,250,000
Training Simulator	\$ 2,000,000

New Flyer Amendment No. 2	Cost
Tax (8.50%)	\$ 19,163,668
Subtotal New Flyer Contract Amendment No. 2	\$ 244,618,583

Other Associated Cost Items Amendment No. 2	Cost
Warranty support	\$ 1,239,625
Project support (SFMTA staff, Other Direct Cost)	\$ 16,246,544
Consultant Support and Vehicle Inspection at Plant	\$ 3,518,490
Subtotal Other Associated Cost Items Amendment No. 2	\$ 21,004,659
Total Cost Amendment No. 2	\$ 265,623,242

Total Project Cost Summary	Cost
Base Order Plus Amendment 1 Amount	\$ 150,448,729
Base Order Plus Amendment 1 Other Associated Cost Items	\$ 12,895,177
Amendment No. 2 Contract Amount	\$ 244,618,583
Amendment No. 2 Other Associated Cost Items	\$ 21,004,659
Total Project Amount	\$ 428,967,148

SFMTA Board Action


On April 18, 2017, the SFMTA Board of Directors approved Resolution No. 170418-051 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. 2 to Contract No. CPT 632 with New Flyer of America, Inc., to exercise an option to purchase an additional 185 standard low floor electric trolley buses and associated spare parts, training, manuals and special tools, for an additional amount of \$244,618,583, and a total contract amount not to exceed \$395,067,312, with no change to the term of the contract.

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,



Edward D. Reiskin
Director of Transportation

Attachments: SFMTA Board Resolution No. 170418-051
Amendment No. 2