



November 24, 2014

**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 61 60-foot 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 a Contract between the City and County of San Francisco and New Flyer of America Inc. for the purchase of 61 60-foot diesel-hybrid buses, in an amount not to exceed \$68,257,536 and for a term not to exceed six years.

The contract consists of a base quantity for the initial procurement plus options to purchase 40-ft. and additional 60-ft. buses to replace SFMTA’s fleet of buses that will be reaching the end of their useful life over the next six years.

Background

Under this contract, the SFMTA will purchase a combination of 40-ft. and 60-ft. coaches totaling 424 coaches. The base contract will be to replace 26 60-ft. Neoplan coaches plus 35 60-ft. coaches for fleet expansion. The contract includes options to purchase additional 40-ft. and 60-ft. coaches to replace the remainder of the Neoplan coaches, replace all the 40-ft. Orion hybrid coaches and purchase expansion vehicles for the 40-ft. and 60-ft. fleet over the next six years.

The original Request for Proposal (RFP) was to purchase replacement buses for the 30-ft., 40-ft. and 60-ft. fleet. The following is the original breakdown of the number of buses to be purchased over the life of this contract:

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

The quantity of coaches to be purchased per year coincides with the year a particular batch of buses will reach the end of their service life and/or the year the expansion buses are needed to meet the additional demand for service.

New Flyer of America Inc. submitted a proposal that included 35-ft., 40-ft. and 60-ft. coaches. As part of the negotiation process, staff requested New Flyer to provide a 35-ft. coach for evaluation. The evaluation revealed that the 35-ft. coach will not meet the tight turning radiuses that are required for coaches servicing the 30-ft. routes. Since the 30-ft. coaches will not be due for replacement until 2019, staff recommended issuing a separate RFP for the 30-ft. coaches during the first quarter of 2017.

Bid Process

On January 31, 2014, the SFMTA issued an RFP to purchase 30-ft., 40-ft. and 60-ft. low floor diesel hybrid coaches. On July 25, 2014, the SFMTA received one bid in response to the RFP. The single bid came from New Flyer of America, Inc. to supply 35-ft., 40-ft. and 60-ft. coaches.

Staff's review of the specifications, terms and conditions of the RFP and survey of potential proposers revealed that the provisions were not restrictive and fulfilled the Federal Transit Administration's competition requirements. Staff negotiated a contract with New Flyer of America, Inc. to purchase 61 60-ft. low floor diesel hybrid coaches for the base contract, including related tools, training and spare parts for an amount not to exceed \$68,257,536 and for a period not to exceed six years with options to purchase 200 40-ft. and additional 163 60-ft. coaches.

Description of Work

This procurement project includes a base order of 61 60-ft. low floor hybrid buses from New Flyer, Inc. with option to purchase 200 40-ft. buses and 163 60-ft. buses. The 61 buses in this latest procurement will have the Allison propulsion package and the same features as the previous buses recently purchased from New Flyer. The features include various enhancements to the basic bus, including a Closed Circuit TV system identical to the one that SFMTA installed 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, partial colored 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

The alternative considered to purchasing new coaches was to rehabilitate the existing fleet to extend the lives of these coaches. However, extending the lives of the existing coaches 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. Also, several new technologies have been developed since the existing coaches were purchased by SFMTA, and these new technological developments are contributing to reducing the fuel consumption of the buses. These new technologies include electric driven fans for radiators which reduces the load on the engine by as much as 60 horsepower.

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

The amount of the contract with New Flyer for the base quantity of buses is \$68,257,536. With tax, warranty support, staff project support and required vehicle inspections, the total project cost is \$70,696,981. Following is a detail of the project budget:

Total Project Budget

New Flyer Contract	Cost
Vehicles (61)	\$63,528,008
Tools & Diagnostics	\$ 1,497,529
Training	\$ 1,340,280
Spare Parts	\$ 1,891,719
Subtotal New Flyer Contract	\$68,257,536

Other Associated Cost Items	Cost
Tax (8.75%)	\$5,875,932
Warranty support	\$ 274,039
Project support (SFMTA staff, Other Direct Cost)	\$3,478,118
Consultant Support and Vehicle Inspection at Plant	\$1,000,000
Subtotal Other Associated Cost Items	\$10,628,089
Total Project Cost	\$78,885,625

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	\$58,533,531
State Infrastructure Bond	\$8,000,000
Proposition K	\$12,352,094
Total Funding	\$78,885,625

SFMTA Board Action

On November 18, 2014, the SFMTA Board of Directors approved a Resolution authorizing the Director of Transportation to execute the Contract with New Flyer of America in an amount not to exceed \$68,257,536 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 61 60-foot diesel-hybrid buses in an amount not to exceed \$68,257,536 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,

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

Edward D. Reiskin
Director of Transportation

