



SFMTA
Municipal
Transportation
Agency

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May 23, 2016

**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 632 with New Flyer of America Inc., to purchase an additional 33 articulated 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. 1 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 33 articulated low floor electric trolley buses. Amendment No. 1 would increase the Contract amount by \$55,498,285, for a total Contract amount not to exceed \$150,448,729, with no change to the term of the contract.

Background

The SFMTA is in the process of replacing its fleet of electric trolley buses, including 60 foot articulated trolleys. The buses being replaced have been in service since 1994 and are now well past their useful life of 15 years. 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 (King County) 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 the Bus Procurement Contract.

After negotiating minor changes to the buses specific to the needs of the SFMTA, the City entered into the Agreement with New Flyer to purchase 60 60-foot electric trolley buses and associated spare parts, training, manuals, and special tools on February 26, 2014. The Agreement also includes options for the City to acquire up to 33 additional 60-foot electric trolley buses and up to 240 40-foot electric trolley buses at various points during life of the Bus Procurement Contract. The Agreement was authorized by the SFMTA Board of Directors on June 4, 2013, and the Board of Supervisors adopted a resolution approving the Agreement on January 28, 2014. Notice to Proceed under the Agreement was issued on March 11, 2014.

The SFMTA now seeks to exercise an option under the Agreement to purchase additional 33 60-foot articulated 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. 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.

The total project cost to exercise this Amendment is \$58,187,900, and sources for the funds have all been identified. The budget includes the cost of the buses and associated spare parts, training, manuals, special tools, taxes, project engineering, maintenance support and consultant support. The price of the option buses has been adjusted based on changes to the Producer Price Index (PPI).

This Amendment will increase the contract amount by \$55,498,285, for a total contract amount of \$150,448,729. Following is the detailed project budget:

New Flyer Amendment No. 1	Cost
Vehicles (33 60-ft electric trolley buses)	\$ 48,985,133
Tools & Diagnostics	\$ 1,000,000
Training & Manual	\$ 1,128,232
Tax (8.75%)	\$ 4,384,920
Subtotal New Flyer Contract Amendment No. 1	\$ 55,498,285

Other Associated Cost Items Amendment No. 1	Cost
Warranty support	\$ 554,143
Project support (SFMTA staff, Other Direct Cost)	\$ 1,835,512
Consultant Support and Vehicle Inspection at Plant	\$ 299,960
Subtotal Other Associated Cost Items Amendment No. 1	\$ 2,689,615
Total Cost Amendment No. 1	\$ 58,187,900

Total Project Cost Summary	Cost
Base Contract Amount	\$ 94,950,444
Base Contract Other Associated Cost Items	\$ 10,205,562
Amendment No. 1 Contract Amount	\$ 55,498,285
Amendment No. 1 Other Associated Cost Item	\$ 2,689,615
Total Project Amount	\$ 163,343,906

SFMTA Board of Directors Action

On May 17, 2016, the SFMTA Board of Directors approved Resolution No. 16-066 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 632 with New Flyer of America, Inc., to exercise an option to purchase an additional 33 articulated low floor electric trolley buses and associated spare parts, training, manuals and special tools, for an additional amount of \$55,498,285, and a total contract amount not to exceed \$150,448,729, 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 of Directors Resolution No. 16-066
Amendment No. 1

