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March 17, 2021

**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 Creative Bus Sales, Inc. for the Procurement of thirty 32-foot Low Floor Diesel-Hybrid Coaches

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 Creative Bus Sales, Inc. to procure thirty 32-foot, low floor, diesel-hybrid buses and related tools, training, manuals, and spare parts through a procurement by the State of Georgia, in an amount not to exceed \$26,071,700, and for a term not to exceed six years.

Background

SFMTA requires a small fleet in order to navigate hilltop neighborhoods with tight turns. A small heavy-duty bus is defined by the bus industry as any vehicle between 28- and 32-feet. Although we often refer to the current Orion buses as 30-foot buses, they are just under 32-feet. The existing fleet of Orion buses were put into service in 2007 and are currently the oldest vehicles operating in revenue service. According to Federal Transit Administration (FTA) Circular 5010.1E, these coaches are considered small, heavy-duty transit buses and have useful lives of ten years or 350,000 miles. These vehicles reached the end of their useful lives in 2017 and the average of the fleet has reached 437,000 miles. The Mean Distance Between Failures (MDBF) is between 4,000-8,000 miles, significantly below the system goal of 12,000 miles between failures.

The Orion buses are our most flexible fleet. They can be used on any low ridership route, but are required on our hilltop routes such as the 35 Eureka, 36 Teresita, 37 Corbett, 39 Coit and 56 Rutland because they can make tighter turns than a 40-foot bus.

The SFMTA initially planned to replace the Orions in 2017; however, this procurement was put on hold to redirect funds to the electric bus pilot, which was needed to inform the Agency's electric bus roll out plan. In support of this change, the FY19-23 Capital Improvement Plan (CIP) identified resources to rehabilitate these older vehicles with the intent of extending their useful life to 2024. However, due to a variety of performance and COVID-related procurement challenges staff does not recommend an investment in this aging fleet and is instead recommending that the capital dollars be redirected to accelerate vehicle replacement.



The 30-foot Motor Coach Replacement Project was approved by Transportation Capital Committee (TCC), an SFMTA internal committee for approving capital projects, on April 9, 2020, and the SFMTA Board on April 21, 2020, as part of the adoption of the FY21-25 Capital Improvement Program. On June 11, 2020, the TCC approved cancelling the Orion Motor Coach Components Rebuild Project and moving approximately \$5.4M budgeted for that project to the 30-foot Motor Coach Replacement Project. Cancelling the previous rebuild project will enable the advancement of this procurement from delivery in 2024 to delivery in 2021. Replacing the aging Orion fleet will reduce in-service breakdowns and provide more reliable service to customers.

Zero-Emission Transit Fleet

SFMTA is a national leader in supporting sustainable, reduced or zero emission revenue transit vehicles and operate one of the cleanest fleets in North America. All SFMTA revenue buses and trains are either electric or diesel-hybrid using renewable diesel. SFMTA is currently conducting a 40-foot battery electric bus (BEB) pilot that will inform the agency as to how battery electric buses perform on routes with steep hills and high passenger volumes. In this pilot program, the SFMTA will compare the BEBs from each original equipment manufacturer (OEM) to one another as well as to our existing diesel-hybrid and trolley buses. The battery technology used in electric vehicles is rapidly evolving, and the SFMTA would like to test the best available battery technology offered by the leading bus manufacturers in North America. The pilot will be used to evaluate the bus building ability of each manufacturer to ensure they can provide safe and reliable buses for our riding public.

The pilot will also inform the facility infrastructure upgrade required at our maintenance facilities to accommodate BEBs. The SFMTA considered purchasing BEBs to replace the Orion fleet. However, it is not recommended at this time because we do not have the necessary facility upgrades, including the charging infrastructure to operate these buses.

In 2018, the SFMTA Board approved a resolution supporting San Francisco's commitment to begin purchasing all-electric vehicles by 2025 and have an all-electric bus fleet by 2035. In 2019, the California Air Resources Board (CARB) passed the Innovative Clean Transit (ICT) regulations, which set a statewide goal for public transit agencies in California to gradually transition to 100% zero-emission bus (ZEB) fleets by 2040. Both policies recognized the need for a transition period. As per the CARB's ICT regulation, 25 percent of all new purchases need to be zero-emissions by 2023 and 50 percent by 2026. Starting in 2029, 100 percent of all transit agencies' new bus purchases must be ZEBs. To incentivize early adopters of ZEBs, the ICT regulation allows the use of "bonus credits" to be applied to offset an agency's required ZEB purchases. Based on the ICT regulation's parameters, the SFMTA is currently entitled to 27 bonus credits, which is more than sufficient to offset the recommended thirty bus diesel-hybrid purchase (18 bonus credits for trolley buses and 9 bonus credits for the 9 planned BEB pilot buses. Note SFMTA is currently considering purchasing 3 additional BEBs which would increase our bonus credits to 30).

The ICT regulation requires that each agency prepare a ZEB Rollout Plan ("Rollout Plan"). The purpose of the Rollout Plan is to ensure each agency has a strategy to comply with the 2040



requirement of a fully zero emission fleet. The SFMTA Board approved the Rollout Plan on March 16. The Rollout Plan outlines current progress, as well as an approach to facility and infrastructure conversion, subject to a broad list of start-up and scale-up challenges and caveats, including issues such as PG&E coordination, facility rebuilds and funding. The SFMTA Board also supported a 6-9 month policy discussion and further technical review related to how to address near-term facility challenges outlined in the Rollout Plan that could prevent the next large procurement of 40ft buses in 2025 from being battery-electric.

Bid Process

Under Section 21.16 of the San Francisco Administrative Code, the SFMTA may utilize the competitive procurement process of any other public agency to make purchases of commodities under the terms established in that agency's procurement process and as agreed upon by the City and the procuring agency, after making a determination that the other agency's procurement process was competitive and the use of the other agency's procurement process would be in the City's best interests.

The SFMTA explored alternative procurement avenues to reduce the cost and time it takes to purchase replacement vehicles for this small fleet. Staff determined that by purchasing replacement vehicles through the State of Georgia, Department of Administrative Services, Purchasing Division (DOAS) (the Georgia Procurement), it is possible to achieve this objective. Cooperative purchasing arrangements result in cost savings to the purchasers because the bid prices are based on a larger run of vehicles.

In 2017, the DOAS issued a competitive RFP for supplemental Public Mass Transit & Transportation Vehicles and Related Equipment and Accessories. The Georgia Procurement is available for interstate purchases from public entities.

Creative Bus Sales, Inc. (CBS), submitted a proposal in response to the Georgia Procurement in 2017. Georgia accepted the proposal and issued a Notification of Contract Award to CBS in 2018. This contract expires on June 30, 2021. CBS, a company based in Southern California, has provided buses to Los Angeles Department of Transportation (LADOT), Sonoma County Transit, Santa Monica and Chicago PACE. CBS is a certified vendor with the City and County of San Francisco.

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

Staff successfully negotiated terms with CBS, including various enhancements to the basic bus, including a Closed Circuit Television (CCTV) system, single forward-facing seats, the wheelchair securement layout, the latest technology in wheelchair ramps, a three-position bike rack, color destination signs, conduit for the new radio system, fixed hand straps, electric motor doors, and a more enclosed operator barrier that will provide additional protection to transit operators.



Description of Work

This procurement project includes an order of thirty 32-foot, low floor, diesel-hybrid buses from Creative Bus Sales, Inc. The thirty coaches in this latest procurement will have the Allison propulsion package and the same features as the previous coaches recently purchased from New Flyer including a Closed Circuit Television (CCTV) system identical to the one that SFMTA installed in its other revenue vehicles, single forward-facing seats, the wheelchair securement layout, the latest technology in wheelchair ramps, a three-position bike rack, color destination signs, conduit for the new radio system, fixed hand straps, electric motor doors, and a more enclosed operator barrier that will provide additional protection to transit operators. The Contract also includes spare parts, training, manuals, and special tools.

Alternatives Considered

An alternative considered to purchasing new 32-foot coaches was to rebuild the existing Orion fleet to extend its' useful life. However, due to the global COVID-19 pandemic and its' impact on the supply chain, rebuilding the current fleet would not be cost effective. Another alternative considered was to purchase 35- or 40-foot buses. However, this would require removing parking spaces and making route changes to accommodate the maneuverability of a larger vehicle and would introduce unknown variables to the residents of the hilltop routes. A final alternative considered was to purchase battery electric buses instead of hybrid-diesel; however, the facility infrastructure was not available and as a result this alternative would have resulted in keeping the aging Orion vehicles significantly longer creating reliability problems for our customers.

Staff also considered purchasing vehicles through a new RFP process. However, staff did not recommend this alternative because it would have increased time and cost. In view of the above, the best alternative available to the SFMTA is to purchase new hybrid coaches to replace the Orion coaches through the Georgia Procurement.

Funding Impact

The amount of the contract with Creative Bus Sales, Inc. for the coaches includes spare parts, training, manuals, and special tools is \$26,071,700. With tax and soft costs including Planning, Preliminary Design, Detail Design, Project Administration, Warranty Support and Consultant, the total project cost is \$36,440,000. Following is a detail of the project budget:



Total Project Budget

Contract	Costs
Creative Bus Sale Contract Total	
Vehicles (30)	\$25,071,700
Spare Parts	\$250,000
Training	\$500,000
Operating, Maintenance, and Parts Manuals	Inclusive
Special Tools	\$250,000
Subtotal Creative Bus Sale Contract	\$26,071,700
Other Associated Costs	
Sales Tax (8.5%)	\$2,216,094.50
Soft Costs – includes Planning, Preliminary Design, Detail Design, Project Administration, Warranty Support, and Consultant.	\$8,152,205.50
Total Project Cost	\$36,440,000

Funding Source	Amount
Prop B	\$2,390,943
Bay Area Toll Authority (BATA) Fund	\$17,853,455
Proposition K	\$16,195,602
Total	\$36,440,000

SFMTA Board Action

On March 2, 2021, the SFMTA Board of Directors approved a Resolution authorizing the Director of Transportation to execute the Contract with Creative Sales Bus, Inc. in an amount not to exceed \$26,071,700 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 Creative Bus Sales, Inc. to procure thirty 32-foot, low floor, diesel-hybrid buses and related tools, training, manuals, and spare parts, through a procurement by the State of Georgia, in an amount not to exceed \$26,071,700, 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 blue ink, appearing to read 'Jeffrey P. Tumlin'.

Jeffrey P. Tumlin
Director of Transportation