

**EVALUATION OF BID
PROPOSALS**

Page 1

FOR: 40/60 FOOT LOW FLOOR CNG BRT STYLE & 30/40 FOOT LOW FLOOR CNG
REGULAR FIXED ROUTE

Bid File No. 9321

Bid Opening: 4/24/15

<u>BIDDERS</u>	<u>TOTAL NET BID AMOUNT</u>
1. Gillig LLC 258000 Clawiter Road Hayward CA 94545	*Section I \$5,704,160.96 *Section II \$48,178,334.94 Section III No Bid Add/Deduct Alternative No. 1 \$4,266.00 Add/Deduct Alternative No. 2 \$2,500.00
2. New Flyer of America Inc. 711 Kernaghan Ave Winnipeg, Manitoba R2C 3T4 Canada	Section I No bid Section II \$49,574,371.12 *Section III \$9,940,672.55 Add/Deduct Alternative No. 1-40' \$13,219.00 Add/Deduct Alternative No. 2-40' \$600.00 Add/Deduct Alternative No. 1-60' \$16,487.377 Add/Deduct Alternative No. 2-60' \$844.33

Each bidder has agreed to allow the City sixty-four (64) days from date bids are opened to accept or reject their bid proposal. The Purchasing Division requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Monday, May 18, 2015, 5:00 P.M.

The Budget Allocation for this expenditure is \$15,714,478. The contract price is 15.2 % below the Budget Allocation. If the overage is greater than 10% or only one bid was received, give explanation:

BACKGROUND OF PROJECT (To be completed by the Evaluating Department/Division. Explain need for project/equipment):

The Department of Transportation/FAX requires a minimum of 96 buses to support current service levels. The Federal Transportation Agency's (FTA) minimum life cycle for a standard transit bus is 12 years, while the industry standard for useful life is 14-16 years. This equates to a mean industry age between seven and eight years. Based on the number of buses necessary to provide FAX services, and expected bus life, FAX should replace 7-9 buses per year to maintain a mean bus age at or below eight years.

Unfortunately the economic downturn caused FAX to retain buses well beyond the economic life cycle. The mean bus age increased to a peak of approximately twelve years, with some buses exceeding twenty years in age. Aging buses requires FAX to retain more spare buses than the 20 percent mandated by the FTA, resulting in increased costs. Improving economic conditions have allowed FAX

EVALUATION OF BID
PROPOSALS

Page 2

**FOR: 40/60 FOOT LOW FLOOR CNG BRT STYLE & 30/40 FOOT LOW FLOOR CNG
REGULAR FIXED ROUTE**

Bid File No. 9321

Bid Opening: 4/24/15

to implement an aggressive replacement schedule for the fixed route bus fleet. The schedule adheres to the FTA's minimum life cycle requirements while optimizing the useful life of the buses. FAX has successfully lowered the mean age of its fleet from twelve to nine years in the past five years with this more aggressive schedule.

FAX still operates ten 1999 model year diesel buses that are 16-18 years old. Additionally, FAX has twenty-five 2003 model year compressed natural gas (CNG) units that will reach the end of their life cycles in the 2015-2017 timeframe. Six of these units are very difficult to keep in service due to old technology powertrains. All 2003 models will require CNG tank replacements if kept past 2017 (approximately \$30,000 per bus to replace tanks). This contract will replace the majority of these units and lower the mean age of the fleet to seven years by 2017.

In addition, BRT service along the Blackstone/Kings Canyon BRT corridors is set to commence in January 2017 and will require an increase of fleet size to 103 buses. This contract addresses the initial demand of seventeen additional/replacement buses for the BRT service. The contract allows additional BRT buses to be ordered in the event of an increase in ridership or expansion of service area of the BRT routes. The BRT service would likely be delayed if this contract is not in place to provide the buses needed for service.

Additional proposed service expansions/frequency improvements in regular fixed route service may require additional increases in fleet size beyond the planned 103 units. This contract will allow flexibility to order additional buses with minimal delay if demand and funding conditions change. The 40-foot CNG, low floor bus is the foundation of the FAX fleet and the 40-foot BRT, CNG, low floor bus will be the foundation for the BRT fleet. FAX does not foresee a need for 30-foot or 60-foot buses in the near future, but new service routes and increases in ridership may create a demand for these buses.

FAX has consistently utilized a requirements contract to purchase transit buses due to long lead times associated with their purchase and manufacture (currently at twelve months). The existing contract expires on November 10, 2015, and neither includes the latest FTA procurement requirements and nor does it address the acquisition of BRT style buses. FAX determined it would be in the City's best interest to pursue a new requirements contract, and the proposed new requirements contract will allow FAX to:

- Purchase seventeen 40-foot BRT style buses to meet the demands of the Blackstone/Kings Canyon corridors;
- Replace aging diesel buses with modern CNG units to achieve 100% compliance with the California Air Resource Board's Transit Fleet rule;
- Begin replacing the 2003 units to remove poor performing units and defer costs of CNG tank replacement;
- Reduce the average age of fleet from approximately nine years to seven years;
- Purchase replacement units as funding becomes available to meet replacement schedules; and
- Purchase additional units if service demand requires.

**EVALUATION OF BID
PROPOSALS**

Page 3

FOR: 40/60 FOOT LOW FLOOR CNG BRT STYLE & 30/40 FOOT LOW FLOOR CNG
REGULAR FIXED ROUTE

Bid File No. 9321
Bid Opening: 4/24/15

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

- ☒ Award a contract in the amount of \$ 53,882,495.90 to Gillig of Hayward, CA as the lowest responsive and responsible bidder for Section I and II (30-, 40-foot Regular Fixed Route, and 40-foot BRT buses).

Remarks:

- ☐ Reject all bids. Reason:

- ☒ Award a contract in the amount of \$ 9,940,672.55 to New Flyer of Winnipeg, MB Canada as the lowest responsive and responsible bidder for Section III (60-foot BRT buses).

Remarks:

- ☐ Reject all bids. Reason:

EVALUATION OF BID
PROPOSALS

Page 4

FOR: 40/60 FOOT LOW FLOOR CNG BRT STYLE & 30/40 FOOT LOW FLOOR CNG
REGULAR FIXED ROUTE

Bid File No. 9321
Bid Opening: 4/24/15

Department Head Approval

[Signature]
Title Assistant Director
Date 5/6/15

- ☒ Approve Dept. Recommendation ☐ Approve Finance/Purchasing Recommendation
☐ Disapprove ☐ Disapprove
☐ See Attachment

FINANCE DEPARTMENT

CITY MANAGER

[Signature] 5/6/15 [Signature] 5/6/15
Purchasing Manager Date City Manager or Designee Date
[Signature] 5/6/15
Finance Director Date

FISCAL IMPACT STATEMENT

PROGRAM:

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$15,714,478</u>	<u> </u>
Indirect Cost	<u>\$0.00</u>	<u> </u>
TOTAL COST	<u>\$15,714,478</u>	<u> </u>
Additional Revenue or Savings Generated	<u>N/A</u>	<u> </u>
Net City Cost	<u>\$15,714,478</u>	<u> </u>
Amount Budgeted (If none budgeted, identify source)	<u>\$15,714,478</u>	<u> </u>