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**Title:** Approve the purchase of cutaway paratransit buses in the amount of \$3,215,500 from Creative Bus Sales, Inc., in accordance with the cooperative purchasing procedures set forth in Administrative Order 3-1

**Sponsors:** Department of Transportation

**Indexes:**

**Code sections:**

**Attachments:** 1. Proof of Advertisement - Transit Talent.pdf, 2. Proof of Publicationr.pdf, 3. CalACT Contract Specification.pdf, 4. Notice of Award RFP 1503.pdf, 5. Contract # CBS1503.pdf, 6. Bid Evaluation.pdf, 7. Cost Analysis.pdf, 8. Quotes.pdf

Date	Ver.	Action By	Action	Result
4/27/2017	1	City Council	approved	Pass

**REPORT TO THE CITY COUNCIL**

**April 27, 2017**

**FROM:** BRIAN R. MARSHALL, Director  
Department of Transportation

**BY:** JIM SCHAAD, Assistant Director  
Department of Transportation

**SUBJECT:**  
Approve the purchase of cutaway paratransit buses in the amount of \$3,215,500 from Creative Bus Sales, Inc., in accordance with the cooperative purchasing procedures set forth in Administrative Order 3-1

**RECOMMENDATIONS**

1. Approve use of CalACT's five-year cooperative contract (CalACT Assignor's Contract No. 15-03) to purchase seventeen cutaway paratransit buses from Creative Bus Sales, Inc. (Chino, CA), in the amount of \$1,379,200.
2. Approve use of CalACT's five-year cooperative contract (CalACT Assignor's Contract No. 15-03) for future purchases of cutaway paratransit buses over the next four years from Creative Bus Sales, Inc. (Chino, CA), in the amount of \$1,836,300.

This cooperative purchase agreement is being presented to Council as per the new oversight and transparency policy change, which was implemented in December 2016.

## EXECUTIVE SUMMARY

The City of Fresno Department of Transportation/Fresno Area Express (FAX) is a member of the CalACT/MBTA purchasing cooperative, which solicits competitive bids on behalf of various agencies for transit-related equipment. FAX desires to utilize one such cooperative agreement for purchase of medium-sized paratransit buses. These buses will replace seventeen (17) buses that have met their useful life (FTA guidelines are seven years or 250,000 miles). The vehicles to be replaced range from nine (9) to fourteen (14) years old with over 250,000 miles, and are costly to maintain and operate.

FAX is recommending Council approve the use of five-year CalACT cooperative contract allowing FAX to proceed with procuring paratransit buses to replace the buses that have already met their useful life. Additionally, FAX is recommending the use of this contract for the remainder of its five-year term to purchase Handy Ride buses that will meet their useful life over the next four years (approximately seven buses per year).

## BACKGROUND

The FAX Handy Ride service provides over 32,000 trips to disabled and senior citizens within the Fresno area. Handy Ride currently operates forty-nine (49) cutaway paratransit buses. Funding for bus procurement becomes available periodically from various sources including 5310, 5339, and Prop 1B grants. FAX has budgeted to replace seventeen (17) paratransit buses in FY17, all of which are past their useful lives.

The replacement of buses as they reach the end of their useful life is critical to sustaining high performance, safety, reliability, cost effectiveness, and positive image. In previous years funding constraints have required FAX to retain Handy Ride vehicles for longer than the seven-year lifecycle target. FAX has worked to keep the existing buses running but has suffered increased maintenance costs. FAX contractually incurs and additional charge of \$0.04 per mile on buses over 250,000 miles and \$0.06 per mile on buses over 300,000 miles.

To address the aging fleet issue, the department developed a replacement plan to reduce the average of the fleet to four years, which aligns with the industry. FAX has acquired twenty-seven (27) new paratransit vehicles in the last three years, successfully lowering the average age of its fleet from seven to five years. Though improvements have been made to the age of the fleet, 35% of the units are still over the Federal Transportation Administration (FTA) seven-year useful life guidelines, and 16% are beyond ten years of age. FAX has identified funding to replace seventeen (17) additional units, which will reduce the average fleet age to three years. Ongoing replacement of seven units per year will keep the average age within the desired target.

FAX has previously used CalACT contract to acquire paratransit cutaway buses. CalACT cooperative contracts have proven to be a competitive, cost effective, and reliable FTA compliant purchasing method. CalACT/MBTA most recently published a Notice Inviting Bids for paratransit buses on September 29, 2015. The specifications were distributed to all prospective proposers. Nine bids were received from the proposers for paratransit buses, with the official bid opening date on December 11, 2015. As shown in the accompanying bid documents, StarCraft from Creative Bus Sales, Inc., of Chino, California, was the lowest bid for Class B (Ford F-350) buses at \$79,354 with a PPI increase of 1-3% per year. The CalACT contract and Creative Bus Sales, Inc., of Chino, California, met all of FTA regulations and references were exceptional. Pricing is consistent with previous purchases.

Therefore, it is staff's recommendation to approve the use of the CalACT cooperative contract with Creative Bus Sales, Inc. to acquire paratransit buses through its expiration June 1, 2021.

## ENVIRONMENTAL FINDINGS

The approval of this purchase is not a "project" for the purposes of the California Environmental Quality Act.

## LOCAL PREFERENCE

Local preference not implemented because the buses purchased under this contract are FTA funded. The FTA does not allow for local preference with Federally-funded contracts.

## FISCAL IMPACT

This project was included in the department's FY17 budget. Buses will be funded through a combination of federal, state, and local funds (5310, 5339, and Prop 1B). The grant match, when warranted, is funded through the department's capital reserve account.

Attachments:

1. Proof of Advertisement
2. Proof of Publication
3. CalACT Contract Specification
4. Notice of Award RFP 1503
5. Contract CBS1503
6. Bid Evaluation
7. Cost Analysis
8. Quotes