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**Title:** Award a contract to purchase two 40' low floors all electric buses from Proterra, Inc., in the amount of \$2,718,572.73 - Bid File 3604

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**Code sections:**

**Attachments:** 1. 3604 - Notice Inviting Bids.pdf, 2. 3604 - Electric Bus Contract.pdf, 3. 3604 - Evaluation Form.pdf, 4. 3604 - Independent Cost Estimate.pdf, 5. 3604 - Price Analysis.pdf, 6. 3604 - Proterra's Proposal.pdf

Date	Ver.	Action By	Action	Result
12/13/2018	1	City Council	approved	Pass

**REPORT TO THE CITY COUNCIL**

**December 13, 2018**

**FROM:** GREGORY A. BARFIELD, Interim Director  
Department of Transportation

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Department of Transportation

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Department of Transportation

**SUBJECT**

Award a contract to purchase two 40' low floors all electric buses from Proterra, Inc., in the amount of \$2,718,572.73 - Bid File 3604

**RECOMMENDATION**

Staff recommends Council award a contract in the amount of \$2,718,572.73 to Proterra, Inc., of Burlingame, California, to deliver two 40' low floors all electric buses to support the ongoing operation of the FAX fixed route system.

**EXECUTIVE SUMMARY**

The Department of Transportation/FAX solicited bids from qualified vendors to provide two 40' low-

floor all electric buses to support the existing fixed route service. The City solicited competitive bids from qualified vendors on July 31, 2018. Two of the three bids received were deemed non-responsive and bypassed because they were unable to meet the minimum technical specifications set by FAX, specifically the minimum mileage range between charges needed for service. Staff has verified the bid price from Proterra, Inc., was fair and reasonable; therefore, staff recommends the award of this contract. The purchase of these vehicles is a part of FAX's efforts to improve quality and reliability of service.

## **BACKGROUND**

FAX maintains and operates 110 fixed route buses with 98 buses needed for peak service. FTA allows agencies to retain an additional 20 percent of their peak service requirement as spares. The spares buses are used to fill spots for vehicles scheduled routine maintenance service, unable to make service due to mechanical failures, or an increase/expansion to service. Due to the implementation of BRT and FAX15 service, along with retiring buses with costly repairs due to expired compressed natural gas tanks and outdated camera/radio systems, FAX currently has 12 spares, leaving the fleet deficient 7 spare buses. This deficiency has hindered the ability to maintain service at times and service expansions will continue to increase the demand for additional buses.

FAX received federal grant funding back in FY10 for electric buses. Due to the infancy of electric bus technology at the time, FAX opted to hold off on purchasing them until the technology was more established. In 2018, California Air Resource Board (CARB) introduced a draft proposal regulation implementing a new regulation for the transit industry, which requires 25 percent of all transit buses purchased by large agencies to be zero emission by 2023. This regulation expands to 50 percent by 2026 and 100 percent by 2029 in an effort to reduce greenhouse gases (GHG) and oxides of nitrogen (NOx). The Zero-Emission Bus (ZEB) requirement for 2023 would be waived if California transit agencies collectively purchase 1,000 or more ZEBs statewide by December 31, 2020. As buses have a 12-year life cycle and technology become increasing more reliable, FAX issued a solicitation to procure two 40' all electric buses to fill available slots in the fleet.

The fundamental limitation for all electric buses is battery capacity to support a full day of regular service. FAX determined it needs a minimum of 250 miles per charge to effectively utilize these buses in regular service. FAX's longest service route is approximately 250 miles traveled per day.

Due to the unique requirement FAX needs from an electric bus, FAX issued a Request for Information (RFI) to see if bus manufacturers could meet these requirements prior to issuing a bid solicitation. During this solicitation many manufacturers responded they could meet these requirements; however, some were unable to provide the data needed by FAX to prove their claims. The City's Purchasing Division reached out to those manufacturers that did not respond to the RFI, specifically GreenPower Motor Company Inc. of Porterville, CA. GreenPower was not aware of the RFI but was informed that a bid solicitation would be going out shortly on the City website.

The Purchasing Division released a solicitation for competitive bids from qualified vendors on May 29, 2018. Notification of this solicitation was sent to 147 potential bidders and specifications were subsequently distributed to 12 prospective bidders. The structure of the bid specifications attempted to maximize competition by allowing all manufacturers of a 40' low floor all electric buses to bid, with the award based on lowest responsive bid. A public bid opening was held on July 31, 2018, and three bids were received. New Flyer of America Inc., and BYD Coach & Bus LLC., were the two lowest bids and both took exception to several of the minimum technical specifications, specifically

the minimum mileage range. Since they could not meet the requirements of the bid specification, FAX deemed them non-responsive and bypassed them both leaving only Proterra, Inc., as the responsive and responsible bidder. GreenPower did not submit a bid for this solicitation.

FAX has researched American Public Transportation Association (APTA) database pricing of comparable vehicles and determined the pricing from the bidder was fair and reasonable. Based on the Independent Cost Estimate and Price Analysis, Proterra's bid is 4.5 percent higher than anticipated. This can be attributed to the extended warranty requirements, newer more efficient technology, and training/deliverables that are required by the bid specification that were greater than those required by other agencies.

The purchase will reduce spare bus deficit to five, enabling FAX to maintain service and not sacrifice scheduled maintenance intervals of the buses.

### **ENVIRONMENTAL FINDING**

This is not a project as defined by the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines § 15378.

### **LOCAL PREFERENCE**

Local preference was not implemented because of the requirements of the Federal funding source.

### **FISCAL IMPACT**

This project was included in the department's approved FY19 budget. Electric fixed route buses will be funded through a Federal 5308 Clean Fuels grant. This purchase will not impact the General Fund.

#### **Attachments:**

1. 3604 - Notice Inviting Bids
2. 3604 - Electric Bus Contract
3. 3604 - Evaluation Form
4. 3604 - Independent Cost Estimate
5. 3604 - Price Analysis
6. 3604 - Proterra's Proposal