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Title: Award five-year requirements contracts for a total amount of \$63,640,748.64 to Gillig of Hayward, CA and New Flyer of Winnipeg, MB Canada for 30, 40, and 60 foot (articulated) low floor transit buses as well as Bus Rapid Transit (BRT) configured buses - Bid File 9321

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Attachments: 1. Bid Evaluation.pdf

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REPORT TO THE CITY COUNCIL

May 21, 2015

FROM: BRIAN R. MARSHALL, Director
Department of Transportation

BY: JIM SCHAAD, Assistant Director
Department of Transportation

SUBJECT

Award five-year requirements contracts for a total amount of \$63,640,748.64 to Gillig of Hayward, CA and New Flyer of Winnipeg, MB Canada for 30, 40, and 60 foot (articulated) low floor transit buses as well as Bus Rapid Transit (BRT) configured buses - Bid File 9321

RECOMMENDATION

1. Award a five-year requirements contract in the amount of \$5,683,892.09 to Gillig of Hayward, CA to manufacture and deliver standard 30-foot, CNG, low floor transit buses.
2. Award a five-year requirements contract in the amount of \$48,016,184.00 to Gillig of Hayward, CA to manufacture and deliver standard 40-foot low floor buses and 40-foot BRT configured CNG buses.
3. Award a five-year requirements contract in the amount of \$9,940,672.55 to New Flyer of Winnipeg, MB Canada to manufacture and deliver 60-foot low floor buses and BRT configured CNG buses.

EXECUTIVE SUMMARY

The City of Fresno, Department of Transportation/Fresno Area Express (FAX) solicited bids from qualified vendors to provide 30, 40, and 60-foot articulated low floor transit buses to support the replacement of regular fixed route units, as well as new BRT services along the Blackstone and Ventura/Kings Canyon corridors. FAX designed the bid in order to allow separate awards for 30, 40, and 60-foot bus models. FAX primarily utilizes 40-foot low bus models; therefore, the bid quantities were structured to reflect the anticipated needs for standard 40-foot low floor buses and BRT configured models over the next five years. FAX also requested bids on lesser quantities of 30 and 60-foot models to allow purchases in the event that system capacities require smaller/larger buses.

FAX is recommending Council's approve awarding three five-year requirements contracts with options to extend their term by two one-year increments, up to seven years total. The contract will allow FAX to proceed with the scheduled procurement of 40-foot BRT buses and standard 40-foot low floor buses as well as provide a mechanism to purchase different size buses in order to address potential changes in service levels.

BACKGROUND

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. Unfortunately the economic downturn caused FAX to retain a number of buses well beyond the economic life cycle. Continuing to operate buses beyond their useful life results in higher operating costs as well as unforeseen delays in service to our customers. The recommended requirements contracts would allow FAX to replace buses on a schedule that adheres to the FTA's minimum life cycle requirements while optimizing the useful life of the buses.

In addition, the planned BRT service along the Blackstone/Kings Canyon BRT corridors, which is set to commence in January 2017, will increase the of fleet size by 17 to 103 buses. These contracts will allow the department to addresses the initial demand of 17 additional buses needed to support BRT services. Having different contracts for different types of buses will allow the department to order future replacement buses and/or to accommodate increases in ridership or changes in service levels.

FAX has consistently utilized requirements contracts to purchase transit buses due to long lead times associated with their purchase and manufacture (currently at 12 months). The existing contracts expire on November 10, 2015, and neither includes the latest FTA procurement requirements nor do they include the acquisition of BRT configured buses. FAX determined it would be in the City's best interest to pursue new requirements contracts that will allow FAX to:

- Purchase seventeen 40-foot BRT style low floor 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;
- Purchase future replacement units as funding becomes available to meet replacement schedules; and

- Purchase different type of buses based on changes in service levels and demand.

A Notice Inviting Bids was published in the Business Journal on February 16, 2015, and was also posted on the City of Fresno website. The bid specifications were distributed to 18 prospective proposers. The official bid opening was held on April 24, 2015. Bids were received from two proposers for the 40-foot BRT style and standard low floor buses. One bid was received for 30-foot standard low floor buses and one bid was received for 60-foot articulated BRT and standard low buses. Gillig of Hayward, CA was the lowest bid for both the 40-foot BRT style and 40-foot standard low floor buses at \$48,016,184.00. Gillig was also the lowest bid for the 30-foot standard low floor models at \$5,683,892.09. New Flyer of Winnipeg, MB Canada was the lowest bid for both the standard 60-foot low floor and BRT models at \$9,940,672.55.

Funds for bus procurement become available periodically from various capital grant sources including Prop 1B, Congestion Mitigation and Air Quality (CMAQ), and FTA 5309 grants. The BRT buses will be funded through a Small Starts Grant from the FTA. FAX has budgeted in FY16 for seventeen 40-foot BRT style buses and eleven 40-foot Regular Fixed Route style buses.

ENVIRONMENTAL FINDINGS

Pursuant to California Environmental Quality Act Guidelines Section 15378, the award of these contracts does not qualify as a “project”.

LOCAL PREFERENCE

Local preference was not considered because the buses purchased under this contract are funded by federal programs which preclude local preference.

FISCAL IMPACT

Buses will be funded through a combination of Federal and State funds (FTA Very Small Starts, 5309, CMAQ). The grant match, when warranted, is funded through the Department’s capital reserve account.

Attachment: Bid Evaluation