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OPERATIONS COMMITTEE MEETING
July 15, 1998

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
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SUBJECT: PURCHASE OF 20 NEW FLYER BUSES

ACTION: AUTHORIZE PURCHASE OF 20 NEW FLYER, LOW FLOOR, DIESEL BUSES FROM ATC/VANCOM

Recommendation

Authorize the following actions in order to allow the purchase of 20 Low Floor Diesel New Flyer Buses (all of these actions must be exercised in order initiate a procurement contract for these vehicles):

A. Direct the CEO to negotiate and exercise a purchase agreement with ATC/Vancom of Las Vegas, Nevada, for delivery in August 1998 of 20 New Flyer buses for a total price not to exceed $5.5 million (including taxes and delivery costs);
B. Authorize the exchange of $5.5 million in Section 5307 Federal Funding for a like amount of TDA (local funds) in the Enterprise Fund for preventive maintenance purposes so that these buses may be purchased exclusively with local (TDA) funding;
C. Authorize an exception to the MTA Board's AFI policy to allow the purchase of 20 diesel powered low floor buses; and
D. Declare that conditions exist as defined by California PUC Code §130237 (conditions for authorizing a single source procurement), and that in order to ensure that the MTA continues to meet its service obligations under the consent decree, and the MTA Board authorizes a purchase under this statute, which requires a two-thirds vote.

Background

In November 1997, Supervisor Antonovich requested that staff identify opportunities to purchase additional buses. Pursuant to this request, staff recently identified 20 New Flyer buses scheduled for delivery to ATC/Vancom, a former contractor to the City of Las Vegas. These buses were purchased by ATC/Vancom in anticipation of a new contract, which ultimately was not awarded to ATC/Vancom.

MTA and the plaintiffs in the fare litigation lawsuit are currently in a Stage II proceeding under the Consent Decree to determine whether MTA has met the current load factor targets. Reliability of equipment plays a material part in the MTA's ability to meet these targets. In particular, the MTA's ethanol fleet continues to fail at a rate of five buses per week, and despite on-going mitigation efforts, the MTA is

struggling to offset these lost vehicles. Purchasing these vehicles will assist in ensuring availability of vehicles, to meet load factor targets.

ATC/Vancom secured the rights to these buses with a $500,000 deposit, however, since they utilized a non-competititve procurement to secure these buses, this action effectively precludes the use of federal funding to procure these buses.

These buses are currently in production at New Flyer Bus USA in Crookston, MN., with delivery scheduled in August 1998. While these buses do not meet the MTA Board's AFI policy, they do meet all federal, state and local emission regulations.

At this time, recent manufacturer surveys indicate that every U.S. bus manufacturer has a significant production backlogs that range from 12 to 36 months. Aside from the MTA's existing contracts with Neoplan and New Flyer, there will be few opportunities to acquire additional new buses within this timeframe. Due to these market conditions, the ATC/Vancom buses effectively represent a unique (i.e. single source) opportunity for the MTA to immediately acquire new buses.

Financial Impact

ATC/Vancom's contract with New Flyer is for $257,000 per vehicle, and they are requesting $267,000 per vehicle. The final price will be subject to negotiation with MTA staff. These buses use many standard systems used at the MTA and at other transit properties around the country (e.g. Series 50 DDC engine, Allison Transmission), and staff does not believe that this action will adversely affect inventory requirements. While final pricing for these buses is subject to negotiation, it is estimated that they may be purchased for between $5.0 and $5.5 million, depending on final unit pricing, any minor or required modifications (e.g. paint schemes), tax and delivery costs.

Prepared by: John Drayton

Concurrence:

for Michael O'Connor
Executive Officer for Procurement

Habib F. Balian
Office of the Chief Executive Officer

DIESEL ENGINE EMISSIONS
ANNUAL TONS OF EXHAUST EMISSIONS

Miles/year = 41,000			g/bhp-hr*		Tons/Year	
Year	Engine	Buses***	NOx	PM	NOx	PM
1980	6v-92 Diesel**	19	5.3	0.6	**19.57**	**2.2**
1998	S50 Diesel	20	3.9	0.05	**15.16**	**0.19**

* Based on current CARB Engine Certification Levels.

** Based on original 1980 Engine Configuration. Roughly 250 of our RTSII buses currently operate in this configuration.

***Number of Buses to be replaced is 19 because of fewer seats on the proposed ATC buses

#31 2/23/98 handout

Todd Campbell
Coalition for Clean Air (Item 31)

DIESEL v. COMPRESSED NATURAL GAS EMISSIONS
ANNUAL TONS OF EXHAUST EMISSIONS

Miles/year = 41,000

			g/bhp-hr*		Tons/Year		Tons/Useful Life**	
Year	**Engine**	**Buses**	**NO_x**	**PM**	**NO_x**	**PM**	**NO_x**	**PM**
1980	6V-92 Diesel***	70	5.30	0.60	72.10	8.16	865.2	97.92
1998	Detroit Diesel Series 50****	55	3.90	0.05	41.68	.53	500.16	6.36
1998	Cummins L10 300G	55	1.40	0.04	14.96	.21	179.52	2.52

- If LAC MTA was only allowed to emit 865.2 tons of NO_x per year, LAC MTA's fleet make-up could consist of 70 1980 diesel buses, 95 1998 diesel buses, or 265 1998 CNG buses.
- In terms of NO_x benefits, opting to add 55 1998 diesel buses to LAC MTA's existing fleet is equivalent to removing 30 1980 diesel buses off the road. On the other hand, opting to add 55 1998 compressed natural gas buses to LAC MTA's existing fleet, however, is equivalent to removing 56 1980 diesel buses off the road.

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* California Air Resources Board Certification Numbers
** Useful Life assumed equal to 12 years.
*** LAC MTA assumes a 1980 in-service bus can travel 41,000 mi/yr.
**** LAC MTA assumes emissions from an articulated bus are equivalent to a 40' bus despite the additional load.

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