



Los Angeles County  
Metropolitan  
Transportation  
Authority

**SUBJECT: LIGHTWEIGHT, HIGH-CAPACITY BUSES**

**ACTION: AUTHORIZATION TO PROCURE BY COMPETITIVE  
NEGOTIATION (PUBLIC CONTRACTS CODE § 20217)**

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**RECOMMENDATION**

A. Adopt the following motion: The Board finds that procurement under Public Utilities Code § 130232 does not constitute a procurement method adequate to MTA's needs and that the procurement of the buses qualifies under Public Contracts Code (PCC) § 20217 for procurement by competitive negotiation.

Requires two-thirds vote of the Board.

B. Authorize the Chief Executive Officer (CEO) to solicit up to thirty (30) lightweight, alternative fuel, low-floor, high-capacity transit buses as a competitive negotiation pursuant to PCC § 20217 and MTA's Procurement Policies and Procedures.

**ISSUE**

MTA has determined that due to high, sustained ridership levels on certain bus lines, such as the new 720 Rapid Bus line, some service could be operated more efficiently with higher capacity vehicles. Until recently, the bus manufacturing industry has had few alternative fueled urban transit bus designs larger than forty feet/forty seats. Recent technological developments, particularly with lightweight vehicle structures (e.g. Composites) and more compact propulsion systems (e.g. gas turbines) should make it practical to build reliable, higher seating capacity, alternative fuel buses, and several US manufacturer's are now offering or are about to offer higher seating capacity, alternative fuel vehicles, primarily in 45 foot and 60 foot configurations.

The MTA Project Office and the Office of Procurement have reviewed the technical requirements for procurement of up to thirty (30) lightweight high capacity alternative fuel low floor transit buses and have determined that the types of buses to be procured would likely involve the introduction of new technologies, power plants, materials and/or configurations. There is either limited or no revenue service experience with these types of buses. Many of the proposed components and

materials are unproven in a transit environment. Thus the procurement process must be structured in a manner that minimizes the risk.

## **POLICY IMPLICATIONS**

It is in the public's interest to utilize competitive negotiation rather than a sealed bid process to consider factors other than price in the award of contracts for these buses as described in PCC §20217. The competitive negotiation process provides for consideration of such factors as "broadest possible range of competing products and materials available, fitness of purpose, manufacturer's warranty, vendor financing, performance reliability, standardization, life cycle costs, delivery timetables, support logistics, and other similar factors in addition to price in the award of these contracts." Utilization of this process for this procurement will permit discussions with the proposers to evaluate the performance and reliability of the proposed components, warranty factors, cost data and delivery time tables to determine the bus most suited for the MTA's needs.

## **OPTIONS**

Procurement by a sealed low-bid process was considered by staff but is not recommended. The sealed bid process does not adequately permit evaluation of the factors described in PCC §20217, since the process must award to the lowest-cost, responsive, responsible bidder. In the case of forty-foot Compressed Natural Gas (CNG) buses, there are well-developed specifications and multiple vendors, both of which are necessary for a sealed lowest cost bid process. The buses being procured represent new technologies, power plants, materials, and/or configurations that are not clearly defined. For these reasons, staff does not recommend the sealed low-cost bid alternative. The negotiated procurement process will provide for evaluation of critical non-price related factors in the comparison and selection process.

## **FINANCIAL IMPACT**

The procurement of these buses will be incorporated into an updated Accelerated Bus Procurement Plan. Once the proposals are evaluated and a recommendation for contract award is made, staff plans to reprogram funding from the FY03 Capital Improvement Plan to cover the costs for these buses. Since this is a multi-year contract, the cost center manager and Executive Officer will be accountable for budgeting the cost in future years, including any option exercised.

## **BACKGROUND**

At the November meeting, the MTA Board of Directors directed staff to report back at the January 2001 Board meeting with an implementation plan for securing and deploying articulated and/or 45-foot buses on appropriate MTA bus lines. The MTA's interest in acquiring higher capacity buses is driven by their potential to both reduce MTA operating costs and accommodate heavy demand on certain bus lines, while meeting local policy mandates to improve air quality and minimize traffic impacts. At the January Board meeting, the Board instructed the CEO and staff to prepare and release within 90 days an RFP with performance based specifications for up

to 30 high capacity (more than 40 seats), light weight alternative fueled advanced transit vehicles to be delivered on or before June 30, 2002. As the January Board action did not consider or approve the finding required under PCC §20217, staff determined that this authorizing resolution is required prior to issuance of the RFP for the buses.

**NEXT STEPS**

The performance specifications for the requested buses are being prepared and reviewed to make sure it incorporates all of the requirements of the Board resolution and to also assure that the technical requirements do not unduly hinder competition. The resulting Request for Proposal will be issued within the sixty days to bus manufacturers in the United States and Europe.

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