



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

SUBJECT: AMEND CONTRACT FOR 370 FORTY-FOOT LOW FLOOR CNG BUSES

ACTION: PURCHASE DIAGNOSTIC AND SAFETY EQUIPMENT FROM NORTH AMERICAN BUS INDUSTRIES

RECOMMENDATION

- A. Authorize the Chief Executive Officer to execute Amendment No. 1 to Contract No. OP33200634 with North American Bus Industries to provide diagnostic equipment, training aids, an exterior security system and spare fuel cylinders for 370 forty-foot low floor CNG buses for a period through June 30, 2002 in the amount not to exceed \$1,074,319 excluding sales tax paid by the MTA increasing the Total Contract Value from \$115,424,954 to \$116,499,273.
- B. Authorize the Chief Executive Officer to negotiate and execute change orders for this procurement only in amounts of less than \$850,000 per change order, with cumulative change orders not to exceed 10% of the current approved contract value.

RATIONALE

In the bid for the 370 low floor buses that was awarded in May 2000, the bidders submitted pricing for diagnostic equipment, training aids, an exterior security camera system, and spare fuel cylinders. These prices were to be reviewed after bid opening and contract award in order to give staff time to determine which equipment should be purchased. Staff recommends that the Board approve the purchase of the items as delineated in Attachment A to support the efficient operation and maintenance of this fleet. This is the same type of diagnostic equipment, training aids, exterior security system and spare fuel cylinders bought with previous bus orders.

Background

In previous new bus procurements, an award recommendation included all recommended training aids, diagnostic equipment and other proposed enhancements

to the buses. In this case, the opening of the bids and the award of the contract occurred at the same Board meeting. In view of these time constraints, staff was unable to determine which equipment should be purchased without further evaluation. Staff has since deliberated on the available equipment and identified a list of essential diagnostic equipment and safety enhancements.

The proposed diagnostic tools include items such as laptop computers and proprietary software for the diagnosis and calibration of the computer-controlled engine and transmission. The buses also come equipped with a gas detection and suppression system that requires special calibration and troubleshooting equipment to ensure accurate and responsive activation. Hand-held digital readers and associated modules are a necessity to correct operation problems or to program input for the destination sign system, the anti-lock brake system (ABS), the security monitoring and recording system and other electronic control equipment.

In conjunction with the diagnostic tools, the MTA must keep maintenance personnel abreast of new maintenance and repair know-how through effective training. To accomplish this, staff is recommending the purchase of training boards that simulate the electrical system, the ABS air brake system, the CNG gas detection and suppression system. Staff recommends acquiring a freestanding engine that is integrated with a transmission to support demonstration of overhaul and maintenance procedures.

Staff is recommending the purchase of an exterior security monitoring system for each bus, which is a safety feature. It permits the operator to view the exterior rear of the bus when reversing or the side of the bus while in motion. This was specified as an option because the item had not previously been designated as standard equipment by the MTA.

Finally, staff is recommending the purchase of spare fuel cylinders for immediate replacement in the event of a bus accident that damages the fuel cylinders. Only a bus set of seven cylinders is requested because of the infrequent loss the MTA has experienced to date, as well as the finite shelf life of the fuel cylinders.

FINANCIAL IMPACT

Funding of \$1.2 million for this product/service is included in the FY02 budget in cost center number 3320, Equipment Engineering Department, under project number 200004, 370 NABI Base Bus Procurement.

ALTERNATIVES CONSIDERED

Two alternatives were considered but neither proved to be cost effective. One alternate is to purchase some of the requested equipment from other sources. This alternative is not recommended as it would require multiple competitive procurements. The administrative cost incurred would most likely offset any potential savings. Also, the MTA would run a higher risk of not receiving the proper equipment in time to support the fleet.

The other alternative would be to not procure the requested diagnostic and safety equipment. The use of computerized diagnostic equipment is intended to be an integral part of the bus maintenance program. Without this diagnostic equipment, the new bus fleet will not deliver its design performance and optimum fuel economy. Similarly, the exterior monitoring system has proven to be instrumental in preventing bus accidents.

PROCUREMENT SUMMARY

IFB No. OP33200634 was issued for 370 Low Floor Transit Buses on December 27, 1999. As a result of that procurement, the Board of Directors awarded the contract to North American Bus Industries (NABI) on May 25, 2000. The bid submitted by NABI contained pricing for diagnostic equipment, training aids, and other proposed enhancements for the buses. Per the bid instructions, this pricing is valid through July 22, 2001.

Following Board approval of the contract, staff began an analysis of the equipment required for optimum operations. This Board action provides authorization for purchasing the special tools, training aids, PC based diagnostic equipment, exterior security monitoring systems and spare fuel cylinders recommended by staff.

Additional change order authority is requested for this contract to allow for technical changes that may involve product improvements or that are aimed at improving the performance and reliability of these vehicles. The Board approved similar authorization on Contract No. CA90X771, New Flyer of American for 223 buses and on Contract No. DR4202, North American Bus Industries for 215 buses. These authorizations permitted amounts of \$500,000 per change order or approximately \$2,300 per bus with a maximum amount not to exceed 10% of the current approved contract amount. Change order authorization in the amount of \$850,000 is requested which is also \$2300 per bus.

COST/PRICE ANALYSIS

| BID PRICE | HISTORICAL PRICE | PRICE VARIANCE |
|--------------------|-------------------------|-----------------------|
| \$1,074,319 | N/A | N/A |
| | | |

The recommended bid price of \$1,074,319 has been determined to be fair and reasonable based upon price analysis. The recommended price resulted in no reduction from Contractor’s proposed price.

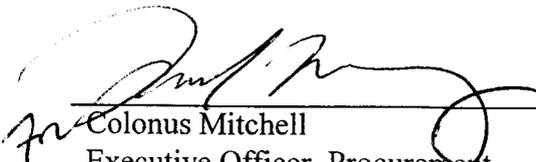
SMALL BUSINESS PARTICIPATION

The Small Business Diversity (SBD) Unit did not recommend a Disadvantaged Business Enterprise (DBE) participation goal for this bus procurement. FTA requires that each Transit Vehicle Manufacturer (TVM) submit for approval an annual percentage overall goal. The TVM

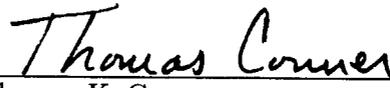
goal is based on the amount of federal funding to be received by the TVM for transit vehicle contracts during the fiscal year.

In compliance with 49 CFR Part 26.49 TVMs report directly to FTA, therefore compliance with the DBE requirements is monitored at the federal level.

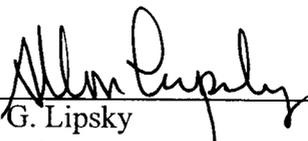
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ATTACHMENT A

Summary of Recommended Options

| | |
|------------------------------|-------------|
| Special Diagnostic Equipment | \$295,663 |
| Training Aids | \$125,156 |
| Exterior Camera System | \$629,000 |
| Spare Fuel Cylinders | \$24,500 |
| Sub Total | \$1,074,319 |
| Sales Tax to be paid by MTA | \$85,946 |
| TOTAL | \$1,160,265 |