



Motion No. M2022-81

Contract Modification with Custom Truck One Source for 18 Specialty Hi-Rail Non-Revenue Vehicles for the Lynnwood and Federal Way Extensions

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience and Operations Committee	10/19/2022	Final action	Suraj Shetty, Executive Director, OPS George McGinn, Executive Operations Director Link, OPS

Proposed action

Authorizes the chief executive officer to execute a contract modification with Custom Truck One Source to 1) exercise contract options for 13 Specialty Hi-Rail Non Revenue vehicles; 2) execute a sole source contract modification to add five vehicles; and 3) provide price adjustment based on market impacts for a combined contract modification in the amount of \$4,072,870, for a new total authorized contract amount not to exceed \$8,578,336 plus applicable taxes.

Key features summary

- This action will exercise contract options for 13 Specialty Hi-Rail Non Revenue vehicles (NRVs). Hi-rail NRVs can travel along the guideway on the rails and are used to perform maintenance in areas not accessible from the right-of-way.
- The option for Type 1 Standard Truck Hi-rail vehicles was limited to three vehicles. An updated needs assessment reflected that five additional Type 1 vehicles were needed to serve the Lynnwood and Federal Way extensions.
- The significant increase from three to a total of eight Type 1 option vehicles was analyzed and justified as a sole source increase to the contract.
- The modification also increases the pricing for all vehicles purchased due to the pandemic, supply chain issues, raw material costs, and changes in inventory availability.
- Applicable taxes are estimated to be \$905,014.

Background

In October 2021, Motion No. M2021-60 authorized a contract with Custom Truck One Source to provide the base 18 Specialty High Rail Non Revenue Vehicles (NRVs).

There are seven vehicle types within this contract. As a result of the needs assessment, it was determined that of the 15 original option vehicles, Sound Transit could decrease Type 2 and Type 7 by one vehicle each and that there is a need for five additional Type 1 Standard Truck vehicles for maintenance and operations support for Lynnwood Link Extension and Federal Way Link Extension. Because the quantity for the contract option for Type 1 vehicles is increasing from three to eight vehicles, it was determined that a sole source review and justification was appropriate. The analysis determined that adding five more Type 1 vehicles is a sole source change to the contract options.

The needs analysis evaluated forecasted staffing levels to support link light rail projects. The additional quantity is required for staffing of expansion start-up.

Hi-rail NRVs can travel along the guideway on the rails and are used to perform maintenance in areas not accessible from the right-of-way. The seven vehicle types range from pick-up trucks to heavy repair vehicles with platforms and buckets to get up to the overhead catenary wire and electrification system. Required up-fitting and attachments such as hi-rail gear, boom buckets, boom lifts, and scissor platforms, along with emergency flashing lights, work lights, etc. are included in the contractual listed price per vehicle order request.

Link Light Rail has been procuring specialty vehicles since the opening of Central Link. In the past, specialty NRV's were procured individually as the need was limited and it was economical to manage each NRV procurement separately. As Link Light Rail continues to rapidly expand in size over the coming years, the requirement for specialty Hi-rail NRV's to support maintenance functions increased at a pace where individual procurements are no longer efficient or feasible.

Staff recognized the need to establish a multi-year NRV contract to take advantage of volume pricing and uniformity of vehicle specifications for more efficient maintenance costs. Specification uniformity provides the same manufacturer and model for each of the components. This will allow one manufacturer to provide maintenance for all hi-rail specialty vehicles, and uniformity of spare parts and components.

The initial contract was set up to support start-up for the following extension projects: Northgate, Operations and Maintenance Facility East, and East Link; as well as the State of Good Repair NRV replacement capitol project of our current fleet. Option vehicles will be used to support Lynnwood Link Extension and Federal Way Link Extension.

Procurement information

Sound Transit issued a Request for Proposal: RFP No. RTA/RP 0034-21 for Specialty Hi-Rail Non-Revenue Vehicles (NRV) in May 2021. This RFP was competitively procured. Three proposals were received in response to this RFP on June 22, 2021. The evaluations were held on July 13, 2021. After evaluations, Custom Truck One Source was determined to be the highest ranked firm that best met the evaluation criteria and offered the best value to Sound Transit.

In accordance with Motion No. M2021-60, on October 7, 2021, Sound Transit entered Contract RP 0034-21 in the amount of \$4,505,466 with Custom Truck One Source to provide the base 18 Specialty Hi-Rail Non-Revenue Vehicles. This contract also included contract options for 15 additional Specialty Hi-Rail Non-Revenue Vehicles. This was included in the Request for Proposal (RFP) for this procurement and was included in the contractor's proposal. The original Board action identified that staff would return to the Board for a separate approval to exercise options to purchase additional vehicles.

This action includes a sole source request to modify the quantity of Type 1 vehicles being purchased as option vehicles. Option quantity for Type 1 was increased by five vehicles. The five additional Type 1 vehicles are the result of a needs analysis where the additional vehicles will address deficiencies in fleet utilization. Option quantities of Type 2 and Type 7 vehicles were reduced by one each as the result of underutilization of those types.

All option vehicles in this action, including the additional five Type 1 vehicles, are using the same original contract vehicle specifications, but with updated unit pricing as per the market impacts to vehicle manufacturing. Changes to the contract are justified in the contract based on the Changes in Governmental Regulations and Force Majeure clauses. Analysis of price increases at the time of exercising options determined that the increases to vehicle pricing was less than as shown for the Consumer Price Index, the Producers Price Index and the US inflation rate for the period since this

contract was executed. Increases to vehicle pricing for base and option vehicles were deemed fair and reasonable.

An analysis of the current market conditions indicates that if these same five Type 1 vehicles were re-competed and purchased today, the pricing would be higher. Pricing has increased for steel and parts across all vehicle types for base and options due in part to supply chain issues. In addition, since these are specialty vehicles it would not be cost-efficient to re-compete this small quantity. After thorough review and analysis, it was determined that modifying the contract to add five vehicles is justified as a sole source procurement and is in the best interest of Sound Transit.

Fiscal Information

This action is within the authorized project allocation or baseline budgets for the following projects and sufficient monies remain after approval of this action to fund the remaining project work. This action does not impact the affordability of the finance plan or any other project.

This action modifies the contract with Custom Truck One Source for \$4,072,870, plus applicable sales tax, to provide additional 18 vehicles for a total contract of 36 specialty Hi-Rail NRVs, not to exceed \$8,578,336 plus applicable sales tax.

Lynnwood Link Extension

The baseline budget for the Lynnwood Link Extension is \$2,771,622,000. Within the construction phase, \$1,400,000 has been allocated to the budget line item for Non-Revenue Vehicles. The action would commit an additional \$1,200,092 plus applicable sales taxes to this line item for the purchase of startup vehicles and leave a budget balance of \$73,298.

Downtown Redmond Link Extension

The baseline budget for the Downtown Redmond Link Extension is \$1,530,000,000. Within the construction phase, \$4,111,000 has been allocated to the budget line item for Non-Revenue Vehicles. The action would commit an additional \$2,567,067 plus applicable sales taxes to this line item for the purchase of startup vehicles and leave a budget balance of \$632,551.

Northgate Link Extension

The baseline budget for the Northgate Link Extension is \$1,899,755,500. Within the construction phase, \$21,088,043 has been allocated to the budget line item for Start-up. The action would commit an additional \$70,847 plus applicable sales taxes to this line item for the purchase of startup vehicles and leave a budget balance of \$4,082,585.

Replacement Link Spec Vehicle

The authorized project allocation for the Replacement Link Spec Vehicle is \$3,386,706. Within the authorized project allocation, \$2,201,359 has been allocated to the vehicle phase. The action would commit an additional \$234,865 plus applicable sales taxes to this line item for the purchase of startup vehicles and leave a budget balance of \$1,896,438.

Disadvantaged and small business participation

Participation by small businesses and disadvantaged business enterprises (DBEs)

Sound Transit promotes and encourages small business participation, which also includes disadvantaged business enterprises (DBEs). Consistent with Sound Transit Policies and federal regulations, Sound Transit has not established small business/DBE goals for this contract. These goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of small businesses/DBEs available to perform such subcontracting work.

Sound Transit reviewed this opportunity and its options and determined that there were no DBE subcontracting opportunities based upon the work described in this contract, so DBE goals were not established. No goals were set for the initial procurement of this type and no goal is still applicable to this procurement.

Public involvement

Not applicable to this action.

Time constraints

A one-month delay would create a significant impact to the project schedule.

If this action is not approved, it will negatively impact a critical milestone in the procurement of specialty NRV's for the Lynnwood Link and Federal Way Link expansion project.

Prior Board/Committee actions

Motion No. M2021-60: Authorized the chief executive officer to execute a contract with Custom Truck One Source to provide eighteen Specialty Hi-Rail Non Revenue Vehicles for a total authorized contract amount not to exceed \$4,505,466 plus applicable taxes.

Environmental review – KH 10/6/22

Legal review – JSA 10/13/22



Motion No. M2022-81

A motion of the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract modification with Custom Truck One Source to 1) exercise contract options for 13 Specialty Hi-Rail Non Revenue vehicles; 2) execute a sole source contract modification to add five vehicles; and 3) provide price adjustment based on market impacts for a combined contract modification in the amount of \$4,072,870, for a new total authorized contract amount not to exceed \$8,578,336 plus applicable taxes.

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Motion

It is hereby moved by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract modification with Custom Truck One Source to 1) exercise contract options for 13 Specialty Hi-Rail Non Revenue vehicles; 2) execute a sole source contract modification to add five vehicles; and 3) provide price adjustment based on market impacts for a combined contract modification in the amount of \$4,072,870, for a new total authorized contract amount not to exceed \$8,578,336 plus applicable taxes.

APPROVED by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Kristina Walker
Rider Experience and Operations Chair

Attest:

Kathryn Flores
Board Administrator