

REGIONAL TRANSIT AUTHORITY

**MOTION NO. 98-3
BACKGROUND AND COMMENTS**

Meeting:	Date:	Agenda Item:	Staff Contact:	Phone:
Board Meeting	2/12/98	No. 8	Agnes Govern Veronica Parker	684-1673 689-3533

ACTION:

Staff is asking for Board direction on the procurement strategy for the fleet needed to operate Regional Express services. There are three options under consideration:

1. Independent procurement process, or
2. Exercise options for diesel buses held by area transit agencies and conduct an independent procurement process for CNG buses for some of the Pierce County service.
3. Initiate discussions with the transit boards in King and Snohomish counties to determine their interest in developing cost sharing agreements which would lead to the gradual conversion of public transit fleets in the Central Puget Sound to non-petroleum based fuels.

We have worked extensively with fleet representatives from each of our transit agency partners, as well as spoken with a number of bus manufacturers about pending and recent purchases. At this time we have identified production slots available to Sound Transit under current purchasing agreements held by King County Transit and Community Transit.

The "Bus Procurement Decision Tree," attached to this motion, lays out some of the time frames involved in these options. Option 3 would entail discussions with the Community Transit Board, Everett City Council, and the King County Council. The RTA Board would need to develop an approach to bus procurement consistent with those discussions at their conclusion.

Motion 98-3 provides two alternative motions which could serve as a starting point for Board policy discussion.

BACKGROUND:

At the Board's January 22 meeting, staff recommended that Sound Transit take advantage of production slots under current purchasing agreements held by King County and Community Transit. These agreements would allow Sound Transit to negotiate with the Gillig Corporation to purchase up to 100 40' buses and with New Flyer Industries to purchase up to 75 60' buses. This action would provide the best opportunity for receiving buses to enable start-up of Regional Express services at the end of 1999.

Sound Move included funding for the implementation of 20 regional express bus routes. The cash flow included money for the purchase of 175 buses. We have been working with the other transit agencies in assessing the composition of their current fleets and their maintenance practices to ensure that our recommendations can be effectively and efficiently implemented.

RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

- Adoption of *Sound Move* (Resolution No. 73)
- Adoption of 1998 Budget (Resolution No. 101)

KEY FEATURES:

Option 1

- Develop technical specifications customized to Sound Transit’s needs.

Option 2

- Procuring buses under the current purchasing agreements will allow for the delivery of buses in 1999.
- The purchasing agreements under consideration have already completed all FTA bus procurement requirements.
- Purchasing the same bus types currently in existing fleets will result in lower costs for parts inventory, training manuals, and other items associated with fleet maintenance.
- We can use existing line inspection staff for most of the plant tasks.
- Buses included in the agreements are proven bus types and have a positive track record in this region. Buses comply with ADA regulations and have two wheelchair tie-downs.
- This procurement strategy assumes the use of diesel buses for King County Transit, Community Transit, and Everett Transit and a mix of diesel and compressed natural gas (CNG) buses for Pierce Transit.
- This procurement strategy assumes a fleet mix of approximately 56% 40’ buses and 44% articulated (60’) buses.

Option 3

- Initiate a regional and multi-agency discussion of the issues raised at the January 22, 1998 Board meeting. These issues include air quality benefits of alternative fuels, the potential for and benefits of reduced petroleum dependence, and the trade-off between increased capital costs for alternative fuel bases and facilities compared to the use of those funds to support higher levels of transit services.
- This option would result in some period of time being added to the procurement schedule for new buses while the policy issues were addressed. The opportunity to piggy-back on contracts could be lost, depending on the length of time that these discussions required.
- The benefits of a decision to move towards alternative fuels would need to be described to the public in terms of its relationship to previous commitments for early service implementation.

FUTURE BOARD DISCUSSIONS AND ACTIONS:

- Fleet Identity
- Contracts to Purchase Buses
- Contracting for Operations

FUNDING:

The 1998 budget includes \$72 million for bus procurement. Our current estimate indicates that this is adequate for this procurement.

ALTERNATIVES:

Described above under Options and Key Features.

CONSEQUENCES OF DELAY:

Given the current manufacturing climate, bus procurement has a lead-time of 12 to 24 months from contract award and notice to proceed. Delay beyond February, 1998 on the fleet procurement decision might prevent us from exercising existing options under current purchasing agreements, the most certain option to follow and still maintain our schedule.

**Regional Transit Authority
Motion No. 98-3**

A motion of the Board of the Regional Transit Authority for the Pierce, King, and Snohomish Counties region to approve recommended bus procurement strategies.

Background:

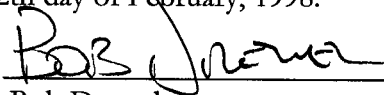
Sound Move included funding for the implementation of 20 regional express bus routes. The *Sound Move* cash flow included money for the purchase of 175 buses, and the adopted 1998 budget includes funding for this purchase. We have been working with our transit agency partners in assessing the composition of their current fleet and their maintenance practices to ensure that our recommendations can be effectively and efficiently implemented.

Motion:

It is hereby moved by the Board of the Regional Transit Authority that staff is authorized to proceed with the process of fleet procurement with the following direction:

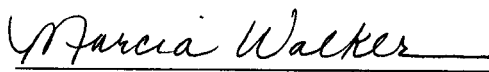
- Acquire 40' buses by working with King County Transit and negotiating with Gillig Corporation to exercise options under their existing contract agreements.
- Acquire 60' buses by working with Community Transit and negotiating with New Flyer Industries to exercise options under their existing contract agreements.
- Staff will return to the Board for discussion of fleet identity and approval of bus contracts.
- Staff will work with Pierce Transit and determine the appropriate diesel/CNG fleet mix in preparation for an RTA procurement of CNG vehicles for them.
- Staff will limit or meet, but not exceed fleet procurement timelines necessary to achieve service commitments.
- The RTA Board believes that non-petroleum-fueled transit buses may produce regional air quality benefits and contribute to a reduced dependence on petroleum fuel in the region. The Chairman of the RTA Board may request that the policy-making bodies of Community Transit, Everett Transit, and King County Metro determine their level of interest in developing an agreement with the RTA which could lead to the incremental conversion of transit fleets in the Central Puget Sound region to non-petroleum based fuels. This agreement would include the creation of a fair, cost-sharing formula for this conversion.

Approved by the Board of the Regional Transit Authority for the Pierce, King, and Snohomish Counties region at a regular meeting thereof on the 12th day of February, 1998.



Bob Drewel
Board Chair

ATTEST:



Marcia Walker
Board Administrator