

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2007-65**

**Contract for ST Express Fleet Expansion**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	6/21/07	Discussion/Possible Action to Recommend Board Approval	Ellen Gustafson, Acting Director, Transportation Services	(206) 398-5094
Board	6/28/07	Action	<b>Timothy Dunn,</b> <b>ST Express Operations Manager</b>	(206) 398-5016

<b>Contract/Agreement Type:</b>	<b>✓</b>	<b>Requested Action:</b>	<b>✓</b>
Competitive Procurement		Execute New Contract/Agreement	✓
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	✓
Real Estate		Property Acquisition	

**PROJECT NAME**

ST Express Fleet Program

**PROPOSED ACTION**

Authorizes the chief executive officer to execute two contracts with Gillig Corporation as follows:

- 1) To purchase three Gillig Phantom 40-foot model diesel buses utilizing options from the Florida Consortium contract in the amount of \$1,233,000 with a 10% contingency of \$123,300, for a total authorized contract amount not to exceed \$1,356,300; and
- 2) To purchase seven Gillig Phantom 40-foot model diesel buses utilizing options from the Community Transit contract in the amount of \$2,877,000 with a 10% contingency of \$287,700 for a total authorized contract amount not to exceed \$3,164,700.

**KEY FEATURES of PROPOSED ACTION**

- The new South Everett Park-and-Ride requires expansion of service between Everett and downtown Seattle due to added parking capacity and anticipated demand for service.
- Sound Transit will piggy-back on separate purchasing agreements that the Florida Consortium and Community Transit each have with the Gillig Corporation. Three buses will be procured through the Florida Consortium and seven buses will be procured through Community Transit.
- These buses are anticipated to be delivered 2<sup>nd</sup> Quarter 2008 and would be operated by Community Transit.

## **BUDGET IMPACT SUMMARY**

Current Project Phase: Procurement  
Projected Completion Date: 2<sup>nd</sup> Quarter 2008

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase		
This Task		
Budget Amendment Required	✓	Resolution No. R2007-11 is required to fund the East King subarea share of this procurement. This amendment is being taken concurrent with this action.

Key Financial Indicators:	✓	Comments on Checked Items
Contingency Funds Required		
Funding required from other parties (other than what is in financial plan)		

Not checked = action is assumed in current Board-adopted budget. No budget action or adjustment to financial plan required.

## **BUDGET and FINANCIAL PLAN DISCUSSION**

The proposed action would authorize Sound Transit to acquire ten buses from the Gillig Corporation for a total cost of \$4,521,000.

The Adopted 2007 Budget included a total Transportation Service Capital Budget of \$216.7 million. Of this amount, a total of \$105.2 million was set aside for the initial procurement of ST Express fleet (project #290, ST Express Fleet Program). Pending Board adoption, Resolution No. R2007-10 would reduce the project budget in the South King County subarea, leaving a lifetime project budget of \$103.2 million.

These buses will be operated by Community Transit. In keeping with agency practice, the procurement would be funded by subarea in proportion to the amount of service provided by the operator of the bus. For Community Transit, the service share is divided between Snohomish County (82.8%) and East King County (17.2%).

A concurrent budget amendment, Resolution No. R2007-11, is being taken to the Board to increase the East King County subarea budget by \$2,250,000 to fund this acquisition and complete the ST Express expansion bus program. After this amendment and action, there is a remaining project budget of \$10.0 million. The subarea contributions to this portion of the procurement after the budget amendment and proposed action are as follows:

Subareas to Be Charged	Revised Lifetime Budget (H)	Committed to Date (I)	Proposed Action (J)	Total Committed & Action (K)	Uncommitted (Shortfall) (L)
Snohomish County	\$ 15,970	\$ 8,306	\$ 3,743	\$ 12,049	\$ 3,921
South King County	\$ 6,967	\$ 5,170	\$ -	\$ 5,170	\$ 1,797
East King County	\$ 50,498	\$ 48,005	\$ 778	\$ 48,783	\$ 1,715
Pierce County	\$ 31,973	\$ 29,415	\$ -	\$ 29,415	\$ 2,558
Total Budget	\$ 105,407	\$ 90,896	\$ 4,521	\$ 95,417	\$ 9,990

## **BUDGET TABLE**

The ST Express Fleet Program (project #290) was included in the Adopted 2007 Budget in the amount of \$105.2 million. This program budget is included on Page 67 of the Adopted 2007 Budget book. A concurrent budget amendment, Resolution No. R2007-11 would add \$2,250,000 to the East King County portion of this budget to enable this transaction. The impacts of the budget amendment and the proposed action on this program budget are illustrated below:

Summary for Board Action (Year of Expenditure \$000)

Project: 290 - ST Express Fleet Program

	Revised Adopted Lifetime Budget <sup>1</sup>	Pending Budget Amendment <sup>2</sup>	Revised Lifetime Budget (C)	Committed To Date <sup>3</sup>	This Action (E)	Total Committed & Action (F)	Uncommitted (Shortfall) (G)
	(A)	(B)		(D)			
1 Agency Administration	\$ 980	\$ -	\$ 980	\$ 980	\$ -	\$ 980	\$ -
2 Vehicles	\$ 102,177	\$ 2,250	\$ 104,427	\$ 89,916	\$ 4,521	\$ 94,437	\$ 9,990
3 Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 Total Current Budget	\$ 103,157	\$ 2,250	\$ 105,407	\$ 90,896	\$ 4,521	\$ 95,417	\$ 9,990

### **Phase Budget Detail**

5 Remaining Expansion	\$ 11,250	\$ 2,250	\$ 13,500	\$ -	\$ 4,521	\$ 4,521	\$ 8,979
6 Previous purchases	\$ 90,927	\$ -	\$ 90,927	\$ 89,916	\$ -	\$ 89,916	\$ 1,011
7 Total Phase	\$ 102,177	\$ 2,250	\$ 104,427	\$ 89,916	\$ 4,521	\$ 94,437	\$ 9,990

### **Notes:**

<sup>1</sup> Project budget is located on page 67 of the Adopted 2007 Budget book. The Adopted 2007 Budget was approved by the Board on December 14, 2006, and revised by Resolution R2007-10 (pending Board adoption) to move \$2 million out of this project budget in the South King County subarea.

<sup>2</sup> Resolution R2007-11 is being taken concurrently with this action to transfer \$2,250,000 from the East King County portion of the Bus Maintenance Facility project (#261) to the East King County portion of the ST Express Fleet Program (project #290).

<sup>3</sup> Committed to date amount includes actual outlays and commitments through June 14, 2007.

Contract Budget	Current Approved Contract Value (H)	Spent to Date (I)	Proposed Action (J)	Proposed Total Contract Value (K)
1 Gillig Corp. <sup>1</sup>	\$ -	\$ -	\$ 4,110	\$ 4,110
2 Contingency	\$ -	\$ -	\$ 411	\$ 411
3 Total	\$ -	\$ -	\$ 4,521	\$ 4,521
4 Percent Contingency	0%		10%	10%

### **Notes:**

<sup>1</sup> The proposed action would be to create two contracts with the Gillig Corp for a total authorization of \$13.6 million. The contracts are combined for presentation of the budget table.

## **SMALL BUSINESS PARTICIPATION**

As a transit vehicle manufacturer, Gillig Corporation must submit its own DBE program and goal to the FTA. According to FTA's transit vehicle procurement rules, transit vehicle manufacturers must certify to transit agencies that they have a DBE program in place. Gillig Corporation has complied with FTA rules for this procurement with a DBE participation goal of 10%.

### **EEO Commitment**

The employees of Gillig Corporation will perform the construction and assembly of the buses. Gillig Corporation's workforce demographics are 10% women and 61% minorities.

## **PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION**

This contract with Gillig Corporation is for the procurement of ten buses in order to expand service for the South Everett Park-and-Ride project. Sound Transit will procure these buses

through separate purchasing agreements that the Florida Consortium and Community Transit have with Gillig.

In selecting the Gillig Phantom diesel bus, staff considered engines using compressed natural gas (CNG), diesel, and hybrid technology. The Gillig Phantom diesel buses were found to be of better quality in terms of fuel type and engine maintenance, emissions, rider capacity, and cost. In addition, the performance of the Gillig Phantom bus since 1999 has been superior engines using other forms of power.

### Fuel Type and Engine Maintenance

Community Transit operates 100% diesel buses, including 36 Sound Transit buses. The agency is fully equipped to operate and maintain the new Gillig Phantom buses since they currently operate this model bus for Sound Transit.

Since purchase of the CNG buses, the CNG market has experienced a decline in demand and availability. For example, in 2002 1,006 CNG buses were sold; in 2004 only 675 were sold. CNG fuel supply systems require comprehensive and expensive fuel delivery systems. When a fuel system fails, an alternative system must be utilized, causing potential disruptions to service.

Community Transit is not equipped to operate and maintain hybrid buses or CNG buses. Multi-million dollar expenditures would be required to provide CNG fueling systems for Community Transit as well as provisions for back-up fueling in the event of failure.

### Emissions

The Gillig Phantom buses will run on ultra-low sulfur diesel in accordance with new regulations adopted by the Environmental Protection Agency earlier this year. The EPA reports that the new 2007 regulations make buses run cleaner and harmful pollution will be reduced by more than 90%. Sulfur in diesel is lowered with the new EPA regulations requiring a 97% reduction in the sulfur content of diesel fuel from 500ppm to 15ppm. Currently, Community Transit operates with 100% ultra-low sulfur diesel.

Unlike diesel engines, no CNG engines are currently 2007 EPA certified. In terms of emissions, it is a trade-off between CNG and ultra-low sulfur diesel, as each produces more or less of certain pollutants. The new 2007 EPA standards for diesel engines provide a 90% cleaner engine than produced prior to 2007.

In general, hybrid buses use less fuel, are more efficient, produce fewer emissions, and are much quieter than conventional buses. The Sound Transit Express bus system, however, is mainly highway operation, and the advantages of current hybrid technology are best realized with stop and go operation.

### Rider Capacity

A Gillig Phantom diesel bus has more seating capacity (42 vs. 37 seats) than a CNG or hybrid bus. Sound Transit can maximize ridership per bus and maintain seating capacity by purchasing buses with like capacity to the 1994 Orion fleet.

## Cost

The costs for CNG and hybrid buses are much higher than diesel buses. CNG buses are about \$50,000 more per bus and hybrids are about \$175,000 more per bus.

## **Prior Board/Committee Actions on this Project**

<b>Motion/Resolution Number and Date</b>	<b>Summary of Action</b>
R2007-11 6/28/07	Amending the 2007 Budget for the East King County portion of the ST Express Fleet Program.

## **CONSEQUENCES of DELAY**

Given the current manufacturing climate, bus procurement has a lead-time of twelve months from contract award and notice to proceed. A delay beyond June 2007 on the procurement decision might prevent Sound Transit from exercising existing options under the Florida Consortium's and Community Transit's purchasing agreements. This would create the necessity for an RFP, contract award, and notice to proceed process pushing the delivery date out to 4<sup>th</sup> Quarter 2008 or 1<sup>st</sup> Quarter 2009, and delaying expansion of service to the new South Everett Park-and-Ride.

## **LEGAL REVIEW**

JW 6/13/07

## **SOUND TRANSIT**

### **MOTION NO. M2007-65**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute two contracts with Gillig Corporation to (1) purchase three Gillig Phantom 40-foot model diesel buses utilizing options from the Florida Consortium contract in the amount of \$1,233,000 with a 10% contingency of \$123,300, for a total authorized contract amount not to exceed \$1,356,300; and (2) purchase seven Gillig Phantom 40-foot model diesel buses utilizing options from the Community Transit contract in the amount of \$2,877,000 with a 10% contingency of \$287,700 for a total authorized contract amount not to exceed \$3,164,700.

#### **Background:**

This contract with Gillig Corporation is for the procurement of ten buses in order to expand service for the South Everett Park-and-Ride project. Sound Transit will procure these buses by piggy-backing on separate purchasing agreements that the Florida Consortium and Community Transit have with Gillig.

In selecting the Gillig Phantom diesel bus, staff considered engines using compressed natural gas (CNG), diesel, and hybrid technology. The Gillig Phantom diesel buses were found to be of better quality in terms of fuel type and engine maintenance, emissions, rider capacity, and cost. In addition, the performance of the Gillig Phantom bus engines since 1999 have been superior to those using other forms of power.

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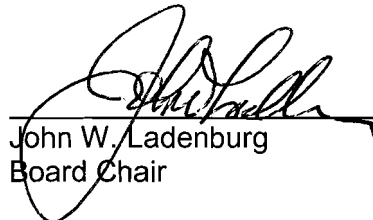
#### Cost

The costs for CNG and hybrid buses are much higher than diesel buses. CNG buses are about \$50,000 more per bus and hybrids are about \$175,000 more per bus.

#### **Motion:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute contracts with Gillig Corporation to (1) purchase three Gillig Phantom 40-foot model diesel buses utilizing options from the Florida Consortium contract in the amount of \$1,233,000 with a 10% contingency of \$123,300, for a total authorized contract amount not to exceed \$1,356,300; and (2) purchase seven Gillig Phantom 40-foot model diesel buses utilizing options from the Community Transit contract in the amount of \$2,877,000 with a 10% contingency of \$287,700 for a total authorized contract amount not to exceed \$3,164,700.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 28, 2007.

  
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John W. Ladenburg  
Board Chair

ATTEST:

  
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Marcia Walker  
Board Administrator

Marcia Walker  
Board Administrator