

**MOTION NO. M2010-56**  
**Purchase 17 Replacement Buses**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations and Administration Committee	5/20/10	Recommendation to Board	Bonnie Todd, Executive Director of Operations	(206) 398-5367
Board	5/27/10	Final Action	<b>Mike Perry, Director of Operations and Maintenance</b>	(206) 398-5388

**PROPOSED ACTION**

Authorizes the chief executive officer to execute a contract with Motor Coach Industries to manufacture and deliver 17 forty-five foot, high-capacity transit coaches in the amount of \$9,224,336, with a 5% contingency of \$461,217, for a total authorized contract amount not to exceed \$9,685,553.

**KEY FEATURES**

- This action authorizes the purchase of 17 clean-diesel buses to be operated by Pierce Transit.
- The vehicles replace 1999 model Gillig forty-foot diesel buses that have reached the end of their useful lives. This action is recommended to reduce the operating and maintenance costs associated with operating high mileage vehicles and to increase passenger comfort.
- The purchase is being made using assigned options from a Yolo County Transit, Woodland, California, contract with MCI.
- The buses to be purchased are heavy-duty, high-capacity coaches with a longer useful life and greater seating capacity. Production of the buses will begin in October 2010, and delivery will be in December 2010.

**PROJECT DESCRIPTION**

The ST Express Fleet Replacement project funds the bus replacement program for the ST Express fleet. The program provides for the replacement of vehicles that reach the end of their useful life of 12 years and/or 500,000 lifetime miles. This program is separate from the original bus procurement project, which funded the original acquisition of the Sound Move ST Express fleet, and the ST2 Fleet Expansion program, which funds the fleet expansion for ST2.

## FISCAL INFORMATION

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

Project: 701 - ST Express Fleet Replacement Program: procure 17 forty-five foot coaches from MCI.

	Adopted 2010 Lifetime Budget <sup>1</sup> (A)	Committed To Date <sup>2</sup> (D)	This Action (E)	Total Committed & Action (F)	Uncommitted (Shortfall) (G)
1 Agency Administration	\$ -	\$ -	\$ -	\$ -	\$ -
2 Preliminary Engineering	\$ -	\$ -	\$ -	\$ -	\$ -
3 Final Design	\$ -	\$ -	\$ -	\$ -	\$ -
4 Right of Way	\$ -	\$ -	\$ -	\$ -	\$ -
5 Construction	\$ -	\$ -	\$ -	\$ -	\$ -
6 Vehicles	\$ 121,885	\$ 32,920	\$ 9,685	\$ 42,605	\$ 79,280
7 Contingency	\$ -	\$ -	\$ -	\$ -	\$ -
8 Total Current Budget	\$ 121,885	\$ 32,920	\$ 9,685	\$ 42,605	\$ 79,280

### Phase Budget Detail

9 Fleet Replacement	\$ 121,885	\$ 32,920	\$ 9,685	\$ 42,605	\$ 79,280
10 Misc. Activity	\$ -	\$ -	\$ -	\$ -	\$ -
11 Total Phase	\$ 121,885	\$ 32,920	\$ 9,685	\$ 42,605	\$ 79,280

Contract Budget	Current Approved Contract Value (H)	Spent to Date (I)	Proposed Action (J)	Proposed Total Contract Value (K)
12 MCI	\$ -	\$ -	\$ 9,224	\$ 9,224
12 Contingency	\$ -	\$ -	\$ 461	\$ 461
13 Total	\$ -	\$ -	\$ 9,685	\$ 9,685
14 Percent Contingency	0%		5%	5%

### Notes:

<sup>1</sup> Project budget is located on page 124 of the Adopted 2010 Transit Improvement Plan.

<sup>2</sup> Committed to date amount includes actual outlays and commitments through April, 2010 and the impacts of a concurrent transaction being reviewed by the Board at the same date.

## SMALL BUSINESS PARTICIPATION

As a transit vehicle manufacturer, Motor Coach Industries must submit its own Disadvantaged Business Enterprise (DBE) program and goal to the Federal Transit Administration (FTA) and must certify to transit agencies that it has a DBE program in place. Motor Coach Industries has complied with FTA rules for participation with this procurement.

## EQUAL EMPLOYMENT WORKFORCE PROFILE

777 employees; 29% women; 18% minorities.

## BACKGROUND

This action is being completed using assigned options from a contract between Yolo County Transit and Motor Coach Industries. The use of assigned options is a standard industry practice within public transit agencies and is approved by the FTA.

Sound Transit received a Letter of No Prejudice (LONP) from the FTA dated December 29, 2009. This LONP means the MCI buses may be eligible for federal grant funding in the future.

#### Life-Cycle Costs:

The MCI coaches are more expensive than a standard forty-foot vehicle. For financial planning purposes, a forty-foot vehicle would cost approximately \$400,000 plus tax, as compared \$495,000 plus tax for the MCI coach.

The initial outlay of capital costs is approximately \$1.7 million higher for 17 MCI coaches as compared to the 17 standard coaches. However, the MCI coach has a longer useful life, 15 years and/or 700,000 miles as compared to 12 years and/or 500,000 miles for a standard coach. On an annualized basis, the capital costs of each coach are equivalent.

Operating expenses would be approximately \$5k-\$10k higher per year, based on previous experience with the existing MCI fleet operated by Pierce Transit. These marginal increases in costs would be offset by the rider comfort that the MCI coaches provide and their much greater seating capacity.

#### Seating Capacity:

The MCI buses are forty-five foot vehicles with 57 passenger seats. They replace forty-foot vehicles with 42 passenger seats, resulting in a net gain of 15 passenger seats. Due to the industry shift to low-floor vehicles with less seating capacity, forty-foot coaches available today only have 37 passenger seats. Replacing current coaches with comparable forty-foot coaches would result in a net loss of five passenger seats per coach.

The additional seating gained by these buses as opposed to a forty-foot bus amounts to a 54% increase in capacity at a 24% increase in cost.

### **ENVIRONMENTAL COMPLIANCE**

SSK 5-04-10

### **TIME CONSTRAINTS**

While a minor delay in placing the order would not have a significant impact on the project schedule, it is important to commit in a timely manner to lock in current price and to ensure a place in the manufacturer's production schedule.

### **PUBLIC INVOLVEMENT**

Not applicable to this action.

### **LEGAL REVIEW**

JW 5/12/10

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**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 a contract with Motor Coach Industries to manufacture and deliver 17 forty-five foot, high-capacity transit coaches in the amount of \$9,224,336, with a 5% contingency of \$461,217, for a total authorized contract amount not to exceed \$9,685,553.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 27, 2010.

A handwritten signature in black ink, appearing to read 'Aaron Reardon', written over a horizontal line.

Aaron Reardon  
Board Chair

ATTEST:

A handwritten signature in black ink, appearing to read 'Marcia Walker', written over a horizontal line.

Marcia Walker  
Board Administrator