

MOTION NO. M2017-155
Bus Rebuild Services Contract

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration	12/7/2017	Final Action	Bonnie Todd, Executive Director, Operations Dave Turissini, Bus Operations Manager

PROPOSED ACTION

(1) Authorizes the chief executive officer to execute a contract with MCI Sales and Service, Inc. to provide bus rebuild services in the amount of \$229,711, with a 10% contingency of \$22,971, for a total authorized contract amount not to exceed \$252,682 plus applicable taxes, and (2) supersedes Motion No. M2017-133.

KEY FEATURES SUMMARY

- At the November 2, 2017 Operations and Administration Committee meeting, the Committee approved Motion No. M2017-133 to execute a contract with Motor Coach Industries, Inc. to perform bus rebuild services. The contractor name in the action should have been MCI Sales and Service, Inc., the contractor’s legal name. This motion will supersede Motion No. M2017-133 and authorize the CEO to enter into the contract with MCI Sales and Service, Inc. (MCI).
- In October 2016, an MCI bus was damaged by an electrical fire and has been inoperable since.
- The bus operated from Pierce Transit’s Lakewood base and is needed to maintain an adequate fleet size for Pierce and South King County service.
- The most cost effective action is to rebuild this bus rather than replace it.
- The rebuild contract amount includes transportation to and from MCI’s shop in Des Plaines, Illinois.
- Applicable taxes are currently estimated to be \$23,201.

BACKGROUND

On October 13, 2016 a Sound Transit 2005 MCI over-the-road coach was on the bus base being prepped for revenue service when an electrical fire started in an electrical compartment located above and behind the operator’s seat. While the fire was extinguished quickly, it resulted in moderate heat-related damage to the driver’s area and smoke damage inside the bus.

An investigation into the cause of the fire found it to be the result of a faulty electrical switch. Subsequently all MCI buses in Sound Transit’s fleet were examined, and where this model of switch was found, a new model was substituted. No further events have occurred.

An independent appraiser hired by Washington State Transportation Insurance Pool (WSTIP) estimated the cost of repairs to the bus to be \$220,224. The proposed price from MCI for repairs is \$229,711, or 4.3 percent higher than the appraiser’s estimate. This is a reasonable variance given the complexity of the repairs. Per Sound Transit’s fleet replacement policies, the bus has at least four more years of useful life. The insurance pool estimated that the remaining value of the bus (less deductible and salvage value) was \$106,812 and compensated Sound Transit in that amount.

The net cost to Sound Transit if the bus is repaired would be \$122,899, taking into consideration insurance proceeds. Annualized over four years that cost would be \$30,725 a year. The cost for a

new bus would be approximately \$850,000, annualized over the 15 years lifespan of the bus, that would be \$56,667 a year. The net cost to Sound Transit is lower if repairs are done, and the rebuild avoids the operational issues of a one bus sub-fleet.

PROCUREMENT INFORMATION

Sound Transit issued a Request for Proposals for rebuild services for a fire-damaged bus on May 19, 2017. One proposal was received from MCI with a follow-up best and final offer. The BAFO was lower than the original bid. A price/cost analysis was performed to determine that the price was fair and reasonable.

FISCAL INFORMATION

The proposed action will be funded from the Purchased Transportation Services within the Operations Department annual operating budget. Sufficient funds are available in 2017 Purchased Transportation Services within the Operations Department to fund any unanticipated 2017 expenses associated with the execution of this contract.

Given the uncertainty of executing and completing the contract within 2017, the Operations 2018 Proposed Budget includes the estimated cost of \$252,682 for the bus rebuild. The proposed budget will be presented to the Board through the annual budget development process beginning in November.

Note: The table below was not included in the original motion but has been added for clarity.

Operations Department (thousands)	2017 Annual Operating Budget	Actuals to Date	This Action	Actuals to Date Plus Action	Remaining Annual Operating Budget
Salaries and Benefits	\$16,672	\$11,917	\$	\$11,917	\$4,756
Services	60,432	33,578		33,578	26,854
Materials and Supplies	10,832	4,620		4,620	6,212
Utilities	5,276	3,527		3,527	1,749
Insurance		-2		-2	2
Taxes	2,595	1,856		1,856	738
Purchased Transportation Services	163,026	106,368	253	106,621	56,405
Miscellaneous	389	201		201	188
Leases and Rentals	8,601	6,043		6,043	2,558
Total Annual Operating Budget	\$267,822	\$168,108	\$253	\$168,361	\$99,462

Contract Spending Plan	Prior Year Spending	Forecast 2017 Spending	Future Expenditures	Total
MCI Sales and Service Inc.		\$253	\$	\$253

Contract Detail	Board Approved Contract Value	Contract Actuals to Date	Proposed Action	Proposed Revised Board Approved Contract Value
MCI Sales and Service Inc.			\$230	\$230
Contingency			23	23
Contract Amount			253	253
Current Tax Estimate			23	23
Contract Amount - Total			\$276	\$276
Percent Contingency			10%	10%

* Actuals reflect the month of October, 2017.

SMALL BUSINESS/DBE PARTICIPATION, APPRENTICESHIP UTILIZATION, AND TITLE VI COMPLIANCE

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE 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 determined that there were few Small Business and DBE subcontracting opportunities based upon the work described in this contract, so Small Business/DBE goals were not established.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

A one-month delay would not create a significant impact to the project schedule.

PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2017-133: Authorized the chief executive officer to execute a contract with Motor Coach Industries, Inc. to provide bus rebuild services in the amount of \$229,711, with a 10% contingency of \$22,971, for a total authorized contract amount not to exceed \$252,682 plus applicable taxes.

ENVIRONMENTAL REVIEW

KH 12/4/2017

LEGAL REVIEW

AJP 12/1/2017

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A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer (1) to execute a contract with MCI Sales and Service, Inc. to provide bus rebuild services in the amount of \$229,711, with a 10% contingency of \$22,971, for a total authorized contract amount not to exceed \$252,682 plus applicable taxes, and (2) supersedes Motion No. M2017-133.

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MOTION:

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized (1) to execute a contract with MCI Sales and Service, Inc. to provide bus rebuild services in the amount of \$229,711, with a 10% contingency of \$22,971, for a total authorized contract amount not to exceed \$252,682 plus applicable taxes, and (2) supersedes Motion No. M2017-133.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 7, 2017.



Paul Roberts
Operations and Administration Committee Chair

ATTEST:



Kathryn Flores
Board Administrator