

**THIS PRINT COVERS CALENDAR ITEM NO. : 10.5**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Transit Services

**BRIEF DESCRIPTION:**

Requesting authorization for the SFMTA, through the Director of Transportation, to enter into an Option Assignment Agreement with, King County's Department of Transportation (King County Metro) and the selected vendor for the purchase of 60 articulated trolley buses and related tools, training and spare parts, in an amount not to exceed \$98,717,875, and for a term not to exceed six years.

**SUMMARY:**

- In 1992, the SFMTA acquired a fleet of 60 articulated trolley buses from New Flyer Inc. These 60 articulated trolley buses have been in service since 1994 and are now well past their useful life of 15 years.
- Since 2011, SFMTA staff has been collaborating with King County Metro on the specifications for a procurement of standard and articulated trolley buses.
- King County Metro issued a Request for Proposals on May 15, 2012 to purchase articulated and standard trolley buses and anticipates awarding a contract with a qualified trolley coach manufacturer in July 2013. The contract contains options for additional buses that may be assigned to the SFMTA.
- The Option Assignment Agreement will enable the SFMTA to purchase articulated trolley buses through the King County contract to replace all 60 articulated trolley buses. Although the vendor has not yet been selected the SFMTA estimates that the cost of the 60 articulated trolley buses, and related tools, training and spare parts will not exceed \$98,717,875.
- The terms of the Option Assignment Agreement, including changes to the technical specifications, will be negotiated after King County Metro awards the contract to the successful bidder.
- This project will be funded by a combination of federal formula funds and local matching funds.

**ENCLOSURES:**

1. SFMTA Board Resolution

**APPROVALS:**

**DATE**

DIRECTOR \_\_\_\_\_

May 28, 2013

SECRETARY \_\_\_\_\_

May 28, 2013

**ASSIGNED SFMTAB CALENDAR DATE:** June 4, 2013

## **PAGE 2**

### **PURPOSE:**

The purpose of this calendar item is to authorize the SFMTA, through the Director of Transportation, to enter into an Option Assignment Agreement with King County Metro and the selected vendor for the purchase of 60 articulated trolley buses.

### **GOAL:**

The goal of this project is to improve equipment availability and reliability in order to meet the following goal and objective of the SFMTA's Strategic Plan:

Goal 2: Make transit, walking, bicycling, taxi, ridesharing and carsharing the preferred means of travel.

Objective No. 2.2: Improve transit performance

Goal 3: Improve the environment and quality of life in San Francisco

Objective 3.3: Allocate capital resources effectively

### **DESCRIPTION:**

Under Section 21.16 of the San Francisco Administrative Code, the SFMTA may utilize the competitive procurement process of any other public agency to make purchases of commodities under the terms established in that agency's procurement process and as agreed upon by the City and the procuring agency, upon making a determination that the other agency's procurement process was competitive and the use of the other agency's procurement process would be in the City's best interests.

The SFMTA has been looking at alternative procurement avenues to reduce the time it takes to purchase replacement vehicles. Staff has determined that by purchasing replacement vehicles through the options available from King County Metro's contract, it is possible to achieve this objective. Starting in March of 2011, SFMTA staff collaborated with King County Metro's staff to develop the specifications for standard and articulated trolley buses.

By combining the coach requirements of SFMTA and King County Metro, both agencies are able to take advantage of the economies of scale of a larger procurement as well as benefit in the future when maintaining these buses by encouraging vendors to stock enough parts on their shelves to supply both fleets of buses.

King County Metro issued a Request for Proposals (RFP) on May 15, 2012. The RFP contains the following base equipment and options, with bid prices tiered depending on the number of vehicles ordered:

Standard trolley buses: 100 base vehicles, 250 option vehicles

Articulated trolley buses: 55 base vehicles, 125 option vehicles

## **PAGE 3**

Under this assignment, SFMTA seeks to option 60 articulated trolley buses. SFMTA would also like to option up to 240 standard buses and 33 articulated trolley buses during the term of the contract to replace its current fleet when the agency becomes eligible to receive Federal Transit Administration funds to replace those vehicles beginning in 2017.

The total option quantities designated for the SFMTA (240 standard and 93 articulated) would provide the requisite one-for-one replacement of the entire trolley fleet, and accommodate proposed service expansion for trolley buses. SFMTA would return to the SFMTA Board in the future to seek approval for an additional assignment once funding has been secured.

King County Metro is currently in the negotiated procurement process, and expects that it will award a contract in July 2013. Throughout the RFP process, SFMTA staff has been actively working with King County Metro staff by providing technical support in the evaluation of the proposals received from several vendors.

Immediately after award of a contract by King County, SFMTA will negotiate minor changes to the buses specific to the needs of SFMTA, such as color scheme, disc brakes, deletion of air-conditioning, type of seat material, and destination sign, in order to finalize the price of the trolley coach with the selected vendor. These changes will be included in the Option Assignment Agreement that will allow the SFMTA to purchase the initial 60 option vehicles under King County Metro's contract.

### **ALTERNATIVES CONSIDERED:**

Staff considered other alternatives, such as purchasing option vehicles from a cooperative purchasing schedule (similar to the procurement of hybrid electric buses through the cooperative purchasing schedule of the State of Minnesota) or purchasing vehicles through the regular RFP process. Staff did not find these alternatives feasible because of the following:

1. Purchasing through a cooperative purchasing schedule: There are no current available cooperative purchasing schedules that include trolley buses.
2. Purchasing through the regular RFP process: This alternative will take longer since King County Metro's RFP was ready nine months ahead of SFMTA's planned RFP.

### **FUNDING IMPACT:**

The estimated budget for the 60 vehicle trolley coach procurement project is \$105,156,006. The estimated contract amount with the manufacturer is \$98,717,875. The contract amount includes the cost of the vehicles, contract spares, training, manuals and taxes.

Funding for the initial 60 vehicles has been identified and will come from a combination of federal and local funds. SFMTA would also like to option up to 240 standard buses and 33 articulated trolley buses during the term of the contract to replace its current fleet when the agency becomes eligible to receive Federal Transit Administration funds to replace those vehicles beginning in 2017. The following is a breakdown of the project budget and funding sources for the initial 60 vehicles:

**Project Budget**

<b>Category</b>	<b>Budget</b>
Conceptual Engineering Phase	\$147,792
Detail Design Phase	\$550,000
Construction Phase	\$104,358,214
Warranty Phase	\$100,000
<b>Total Project Cost</b>	<b>\$105,156,006</b>

**Financial Plan**

<b>Funding Source</b>	<b>Amount</b>
Federal Grants	\$84,124,805
Local Grants (Proposition K)	\$20,931,201
Local Grants (AB664)	\$100,000
<b>Total Available Funds</b>	<b>\$105,156,006</b>

**OTHER APPROVALS RECEIVED OR STILL REQUIRED:**

The City Attorney’s Office has reviewed this calendar item.

The Option Assignment Agreement will require approval from the Board of Supervisors.

The SFMTA and King County Metro sought and received approval from the Federal Transit Administration to proceed with the procurement in this fashion.

**RECOMMENDATIONS:**

Staff recommends that the SFMTA Board authorize the Agency, through the Director of Transportation, to enter into a Bus Option Assignment Agreement with King County Metro and the selected vendor for the purchase of 60 articulated trolley buses and related tools, training and spare parts, in an amount not to exceed \$98,717,875, and for a term not to exceed six years.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, In 1992, the SFMTA acquired a fleet of 60 articulated trolley buses from New Flyer Inc.; and,

WHEREAS, These articulated trolley buses have been in service since 1994 and are now well past their useful life of 15 years; and,

WHEREAS, Since March 2011, the San Francisco Municipal Transportation Agency (SFMTA) has been collaborating with King County Metro in Seattle to develop specifications for the joint procurement of standard and articulated trolley buses; and,

WHEREAS, King County Metro issued a competitive request for proposals in May 2012 to procure 100 standard trolley buses, with an option for 250 additional standard buses, and 55 articulated trolley buses, with an option for 125 additional trolley buses; and,

WHEREAS, King County Metro expects to award the contract in July 2013; and,

WHEREAS, SFMTA currently wishes to purchase 60 articulated trolley buses from the King County Metro procurement to replace the 1992 New Flyer trolley buses and plans to procure additional trolley buses when funding is identified and secured; and

WHEREAS, Under Administrative Code Section 21.16, the SFMTA is authorized to utilize the competitive procurement process of another public agency to make purchase of commodities for the use of the City under the terms established in that agency's competitive procurement process and as agreed upon by the City and the procuring agency; and

WHEREAS, Acquiring trolley buses through the King County competitive procurement process will save the public significant taxpayer funds, serve the public interest in improved public transit and yield tangible benefits to both agencies, including (1) acquiring new vehicles at the best price by minimizing the necessary supplier engineering investment, and taking advantage of economies of scale; (2) reducing the operating costs of the agencies; (3) improving the reliability of the service;(4) avoiding the unnecessary and considerable expenditure of federal and local funds for two separate yet identical procurement processes with the same vendors; and (5) ensuring that the ambitious environmental policy goals at the local, state and federal levels are exceeded through the purchase of zero-emission vehicles; and

WHEREAS, The SFMTA estimates that the cost for all 60 articulated buses, equipment, manuals, training, spare parts and taxes will not exceed \$98,717,875; and

WHEREAS, The SFMTA will negotiate the terms of the Option Assignment Agreement, including changes to technical specifications for buses being purchased by SFMTA once King County Metro awards the contract to the successful bidder; and

WHEREAS, The SFMTA believes that the proposed transaction is in the best interests of the City; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Agency, through the Director of Transportation, to enter into a Bus Options Assignment Agreement with King County Metro and the selected vendor to acquire 60 articulated trolley buses, associated equipment, training, manuals, spare parts and taxes at a cost not to exceed \$98,717,875, and for a term not to exceed six years.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at its meeting of June 4, 2013.

---

Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency