

# T Transportation Committee

**Business Item**  
Item: 2009-22 SW

**Meeting date: January 12, 2009**

**For Metropolitan Council meeting: January 14, 2009**

## ADVISORY INFORMATION

<b>Date:</b>	January 8, 2009
<b>Subject:</b>	Authorization to Award Contract for 26 Coach Buses
<b>District(s), Member(s)</b>	All
<b>Policy/Legal Reference:</b>	Council Policy 3-3 Expenditures – Procurement of Goods and Services Over \$250,000
<b>Staff Prepared/Presented</b>	Brian Lamb, General Manager, 612-349-7510 Vince Pellegrin, Chief Operations Officer, 612-349-7511 Julie Johanson, Deputy Chief Operations Officer-Bus, 612-349-7514 Jan Homan, Director of Bus Maintenance, 612-349-5000 Chris Gran, Director of Purchasing, 612-349-5060
<b>Division/Department:</b>	Metro Transit

## Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a contract with Motor Coach Industries, Inc. for the purchase of 26 forty-five foot coach buses, with an option to purchase up to an additional 86 buses, in accordance with the Council's specification and Motor Coach Industries' Best and Final Offer, contingent on satisfactory results from the Buy America Pre-Award Audit.

## Background

Metro Transit requires 26 coach buses; 13 coaches will be used for expansion service associated with Urban Partnership Agreement and 13 coaches will replace forty-foot transit buses scheduled for retirement in 2009.

In August 2008, the Council issued a solicitation for proposals. Two proposals were submitted, from Coachworks Holdings and from Motor Coach Industries. Proposers were required to submit separate technical and price proposals, which were evaluated independently using the criteria set forth in the solicitation document. During the initial review of the proposals, the Evaluation Panel concluded that Coachworks Holdings does not currently have the technical capability to successfully accomplish the contract and that proposal was not considered further.

The Evaluation Panel rated the Motor Coach Industries (MCI) offer as "good". The proposal was rated particularly high in the areas of vehicle design and maintainability, history of performance of the proposed vehicle, and delivery schedule. The proposed unit price of \$504,925 (including delivery) is fair and reasonable when compared with recent prices paid by other transit agencies.

MCI's financial capability to successfully accomplish the contract was carefully reviewed in light of the fact that MCI filed for Chapter 11 bankruptcy in September 2008. MCI expects to emerge from Chapter 11 in the first quarter of 2009. The Council's Office of General Counsel was consulted during the evaluation, and the following steps will be put in place to protect the Council's interest: no payments will be made to MCI until coaches are delivered and accepted; MCI will provide a 10 percent performance bond as security for completion of the contract; extended warranties will be registered with the manufacturers; the Council reserves the right to withhold payment for late delivery; and the Council may terminate the contract if MCI fails to perform any provision of the contract.

Based on contract award and Notice to Proceed issued by January 23, 2009, MCI proposes to deliver the 26 coaches by August 14, 2009.

This procurement includes an option for the Council to purchase up to 86 additional coaches. The Council may approve exercising an option at any time over the next five years if there is a need for additional buses and if funding is available.

**Rationale**

The 26 coach buses will be used for UPA expansion service and to replace forty-foot transit buses scheduled for retirement in 2009.

**Funding**

Funds are available for 13 coaches under an UPA grant and for the other 13 coaches under federal grant MN-90X-249.

**Known Support / Opposition**

There is no known opposition.