



Agenda Item No. 4

To: Finance-Auditing Committee/Committee of the Whole
Meeting of July 13, 2006

From: Susan Chiaroni, Deputy General Manager, Bus
Gayle Prior, Capital and Grants
Celia G. Kupersmith, General Manager

Subject: **APPROVE ACTIONS RELATIVE TO THE PURCHASE OF TEN
ARTICULATED BUSES ON BEHALF OF THE MARIN COUNTY TRANSIT
DISTRICT**

Recommendation:

The Finance-Auditing Committee recommends that the Board of Directors authorize the following actions on behalf of the Marin County Transit District relative to the procurement of ten (10) articulated buses:

1. Add a new project to the Fiscal Year 2006/2007 Bus Division Capital Budget in the amount of \$6,600,000, 100% funded by FTA and MCTD, to purchase ten (10) articulated buses; and,
2. Authorize District staff to purchase ten (10) articulated buses through a “piggyback” contract between Long Beach Transit, and New Flyer of America; contingent upon compliance with Buy America regulations, Cost and Price Analysis, and review by the Attorney for the District and Federal Transportation Administration.

This recommendation will be presented to the Board of Directors at its July 14, 2006, meeting for appropriate action.

Summary

The District operates articulated buses on Marin County Transit District (MCTD) routes 35 and 36, serving the Canal area of San Rafael. The decision to use articulated buses was made nearly three years ago in an effort to reduce operating expenses by using a bus with a much higher capacity. In order to implement this new plan quickly, the District purchased used articulated buses from another Bay Area transit agency that planned to replace them. At the time of our purchase, these buses were over 12 years old with more than 700,000 miles of operation. Because they were fully depreciated under the Federal Transportation Administration (FTA) guidelines, we were able to purchase them for \$1.00 each. Eight of these buses were refurbished or rehabilitated by the District to give them another 2-3 years of service. They have served MCTD well, accommodating not only the heavy ridership in

and out of the Canal area, but also fill in on MCTD supplemental school trips with high demand. In the past 2½ years they have accumulated an average of 130,000 additional miles. It is now time to replace these buses with new buses that are more reliable and feature improved passenger amenities available in today's market, including better seating and ADA access systems.

The District recently entered into a contract to provide MCTD's local Marin service. The contract between MCTD and the District includes language addressing the purchase of new and replacement equipment needed to serve the customers of MCTD. Because these vehicles will be used exclusively on Marin local routes, these buses will be 100% funded by a combination of funds from FTA and the MCTD. FTA grant funds in the amount \$5,197,830 have been programmed by the Metropolitan Transportation Commission to support approximately 80% of this procurement. We are in the process of securing these funds in our FY 05/06 FTA grant. The remaining match funds will be provided by the MCTD. Consistent with the terms of our contract, these buses will be owned by the District during the life of our service contract with MCTD. At the conclusion of the contract, MCTD will decide if they wish to take ownership of the buses or allow us to retain the ownership rights.

The FTA allows agencies to "piggyback," provided FTA regulations are followed and the solicitation document and resultant contract contain an assignment clause. Therefore, Long Beach Transit authorized the transfer of up to twenty D60LF Articulated Coaches to the District. MCTD was informed of the opportunity for the District to "piggyback" on Long Beach Transit's contract with New Flyer of America for ten articulated buses and approved the purchase at its June 2006 Board meeting.

This option provides an efficient and cost-effective means to implement this capital purchase. It allows for delivery as early as April 2007 with an in service date as early as July 17, 2007 which reduces the high cost of operating our existing articulated fleet that has surpassed their expected life cycle.

The purchase price for the vehicles is estimated to be approximately \$660,000 per vehicle, which includes ADA parts and equipment, spare parts package, sales tax, contingency fund expenditures normally associated with typical bus procurement.

Fiscal Impact

Bus Replacements are included in the District's 10-Year Capital Improvement Program. The decision by the MCTD Board to authorize the local funding match for this purchase makes this a 100% funded purchase. Implementation of the capital element of this program will require a \$6,600,000 expenditure, to be funded with approximately 80% FTA grant funds and the remaining local match from the MCTD.