

Agenda Report

December 5, 2011

TO: Honorable Mayor and City Council
FROM: Department of Transportation
SUBJECT: AUTHORIZE THE PURCHASE OF FIFTEEN COMPRESSED NATURAL GAS BUSES FOR THE PASADENA AREA RAPID TRANSIT SYSTEM FOR AN AMOUNT NOT TO EXCEED \$4,473,000

RECOMMENDATION:

It is recommended that the City Council:

- 1) Find that the purchase of these vehicles is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15302, replacement of existing transit facilities involving negligible or no expansion of capacity;
- 2) Authorize the issuance of a purchase order contract to Creative Bus Sales, without competitive bidding pursuant to City Charter Section 1002 [H], contract with other government entities or their contractors, in an amount not to exceed \$4,473,000 for the purchase of ten 32-foot and five 25-foot buses, all of which operate on compressed natural gas; and
- 3) Grant the proposed purchase order contract an exemption from the competitive selection process of the Competitive Bidding and Purchasing Ordinance pursuant to Pasadena Municipal Code Section 4.08.049 (B), contracts for which the City's best interest are served.

BACKGROUND:

The current fleet of ARTS buses is at the end of its useful life cycle and is experiencing severe reliability and maintenance issues. To improve service quality, help meet existing ridership demand and keep the City in compliance with California Air Resources Board (CARB) heavy-duty vehicle fleet regulations, the City is replacing fifteen diesel-fueled buses which have exceeded their useful life cycles with compressed natural gas (CNG)-fueled buses. The purchase of these replacement buses will help minimize service interruptions due to vehicle reliability problems and provide more seamless travel for ARTS passengers.

The vehicles to be purchased are five cut-away style Class C 25-foot CNG Ford Starcraft Allstar shuttle buses with the capacity to seat up to twenty passengers and ten 32-foot CNG El Dorado E-Z Rider II BRT buses. The 32-foot vehicles are low-floor heavy-duty transit buses with the capacity to carry 30 total passengers.

In November 2009, the Morongo Basin Transit Authority (MBTA), a member of the California Association of Coordinated Transportation (CalACT), formed the CalACT/MBTA Vehicle and Materials Purchasing Cooperative (Cooperative), which developed the bid documents and product specifications for a competitive price-based procurement process for several classes of transit vehicles to be used by participating governmental agencies. The selection process the Cooperative followed meets federal requirements as well as the City's purchasing requirements. As a participating member of CalACT, the City is eligible to use this bid for the purchase of transit vehicles.

Creative Bus Sales has a contract with the Cooperative to supply Ford Starcraft and El Dorado buses. Creative Bus Sales has offered to extend this bid and the associated pricing agreement to the City of Pasadena. Purchasing the requested equipment from Creative Bus Sales would be in the City's best interest because it would:

- Expedite the delivery date of the vehicles by 12 to 18 months (because the average delivery period for a 32-foot transit bus is 12 to 18 months and the production runs by the vehicle manufacturers are subscribed once per year) and
- Save the City approximately \$300,000 on the purchase of the vehicles over factory-based pricing (because the Cooperative has negotiated a volume-based discounted price for both classes of buses).

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the following goals of the Strategic Plan: Improve, Maintain and Enhance Public Facilities and Infrastructure; Increase Conservation and Sustainability; and Improve Mobility and Accessibility throughout the City. This purchase of fifteen CNG ARTS buses will enhance the ARTS by helping to minimize service interruptions due to the current deteriorating condition of the aging ARTS fleet and will replace diesel buses to help attain the City's goal to reduce particulate matter and smog-forming emissions, per the United Nations Urban Environmental Accords (UEA) Action 14.

ENVIRONMENTAL ANALYSIS:

The purchase of these vehicles is exempt from the CEQA review pursuant to State CEQA Guidelines Section 15302, replacement of existing transit facilities involving negligible or no expansion of capacity.

FISCAL IMPACT:

The cost of this action will be \$4,473,000. It is anticipated that all of the cost will be spent during the current fiscal year. Funding for this action will be addressed by:

- Utilization of existing budgeted appropriations in Capital Improvement Program Project – 75040 Replacement of Medium Duty Transit Vehicles \$2,400,000
 - Lease-purchase financing to be paid annually over 10 years using Transportation Sales Tax Fund 208 - Proposition A \$2,073,000
- Total Sources** **\$4,473,000**

The anticipated impacts to other operational programs or capital projects as a result of this action will be the expenditure of approximately \$100,000 for the installation of items on the buses after delivery. These items, which include fare boxes, decals/livery for the exterior of the buses, and bike racks, are necessary to the day to day operation of the vehicles and are installed by the City's transit operations/maintenance contractor, First Transit, under Contract 19,942.

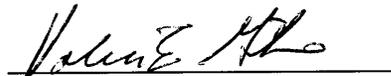
As noted above, staff proposes to arrange lease financing for a portion of this purchase prior to delivery to the City. Analysis of Transportation Sales Tax Fund 208 - Proposition A indicates that the Fund has on-going revenues adequate to retire the debt service. Once the debt service terms are arranged, staff will return to City Council for authorization to enter into the lease financing. Issuance of the purchase order at this time will guarantee the City a place in the production schedule for the transit vehicles.

Respectfully submitted,



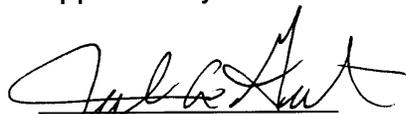
FREDERICK C. DOCK
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Approved by:



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