

**Date:** September 18, 2019**To:** Board of Directors**From:** Doug Kelsey**Subject: RESOLUTION NO. 19-09-78 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH NOVA BUS, A DIVISION OF PREVOST CAR (US), INC. (NOVA) FOR THE PURCHASE OF SIXTY-FOOT DIESEL AND DIESEL-HYBRID TRANSIT BUSES FOR THE DIVISION TRANSIT PROJECT (DTP) AND FUTURE SERVICE EXPANSION****1. Purpose of Item**

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a contract with Nova Bus, a Division of Prevost Car (US) Inc. (Nova) for the purchase of as many as one hundred and fifty-nine (159), sixty-foot, fixed route buses, for the Division Transit Project (DTP) and for future service expansion.

**2. Type of Agenda Item**

- Initial Contract  
 Contract Modification  
 Other \_\_\_\_\_

**3. Reason for Board Action**

Board authorization is required for all goods or services contracts obligating TriMet to pay in excess of \$1,000,000.

**4. Type of Action**

- Resolution  
 Ordinance 1<sup>st</sup> Reading  
 Ordinance 2<sup>nd</sup> Reading  
 Other \_\_\_\_\_

**5. Background**

Metro began planning for the DTP in 2014 by convening a project Steering Committee and holding a series of public open houses and meetings. The committee of key stakeholders and community members approved the project plan -- the Locally Preferred Alternative (LPA) -- in November 2016. The LPA was unanimously approved by the cities of Gresham and Portland, the Multnomah County Commission and the TriMet Board of Directors. Metro

transferred DTP leadership to TriMet on December 20, 2016. The TriMet-led DTP now is in the FTA Small Starts Project Development phase, and we anticipate a Single Year Grant Agreement by the end of 2019.

Project costs for the DTP are approximately \$175 million, with state, regional, local and federal funding contributions expected. Initial construction is scheduled to begin in late 2019, with service beginning by September 2022.

As population and businesses along SE Division Street rapidly have grown, impacts on traffic, including public transit, also have increased. The Line 2-Division is one of TriMet's highest ridership lines, with more than 10,000 daily rides. With high ridership come challenges, however, such as crowded buses, full buses passing riders waiting at stops, and traffic congestion behind buses making frequent stops to pick up riders.

The 15-mile DTP will improve bus service between Downtown Portland, Southeast and East Portland and Gresham by providing high-capacity bus service with faster, more reliable trips, thus supporting increased current and future ridership. The DTP will offer:

- longer, three-door buses with room for up to 60% more riders;
- bus stations with improved amenities such as weather protection;
- multiple-door boarding to minimize dwell times;
- transit signal priority – for a faster, more reliable bus trip
- stations placed where there is greatest rider demand, to balance travel time with access.

Together, these improvements are estimated to reduce travel times 15- 20%, with buses operating every 12 minutes and even more often during service peaks.

Although this Resolution authorizes a contract with Nova for the purchase of as many as one-hundred and fifty-nine (159), sixty-foot, articulated, diesel and diesel hybrid buses, TriMet is only committed to an initial order of thirty-one (31) buses under the contract. In future orders under the contract, TriMet may change the number of buses ordered, and may change the type of bus to diesel-hybrid. TriMet is not committed to purchase all 159 buses authorized under the contract. However, because revenue bus service on the DTP is planned to begin in September 2022, and the DTP will rely on sixty-foot, articulated buses, it is important to secure a reliable source of this bus type soon.

## **6. Procurement Process**

On March 14, 2019, TriMet issued a Request for Proposals (RFP) for a new multi-year bus procurement. The RFP requested respondents offer technical and price proposals for each type of bus: sixty-foot articulated diesel, sixty-foot articulated diesel-hybrid, and sixty-foot articulated battery-electric. This approach provided TriMet the opportunity to award multiple contracts if the best technical and price proposals for the different types of buses resulted from different proposers.

In response to the RFP, TriMet received proposals from Nova, New Flyer Industries of America (New Flyer), and BYD Motors LLC (BYD). A Source Evaluation Committee

(SEC) comprised of TriMet staff evaluated the three proposers' qualifications and resources, including experience, past performance, financial resources, engineering and service support resources, and organizational diversity and DBE utilization. The SEC also evaluated the proposers' technical capabilities, such as design and operating characteristics, life-cycle cost, delivery timeliness, and service support plan.

A significant concern to the SEC was that New Flyer and BYD, proposers who offered the battery-electric bus, were non-responsive for the battery-electric bus type:

	60' Diesel	60' Hybrid	60' Electric
Nova	X	X	
New Flyer	X	X	X
BYD			X

While BYD proposed that their long-range battery-electric bus platform would meet TriMet's specifications, the BYD proposal was missing too many items requested in the RFP and was deemed substantially incomplete. BYD's responses left many required items open-ended, e.g., "to be finalized at pre-production meeting," which was not acceptable to TriMet.

In addition, while New Flyer proposed short-range, fast-charging, 60-foot battery-electric buses, TriMet instead had solicited long-range, slow-charging (plug in), 60-foot battery-electric buses. Therefore, the SEC found both New Flyer and BYD non-responsive for the battery-electric bus type.

As a result of these proposer deficiencies, when TriMet requested Best and Final Offers (BAFOs), the battery-electric bus type had to be removed from this solicitation.

However, the SEC understands that the long-range, slow-charging, sixty-foot battery-electric bus type will be available in the near future, via a State of Washington cooperative procurement process in which all three of these bus manufacturers will participate. This will give TriMet an opportunity to revisit the procurement of the sixty-foot battery-electric bus type at that time.

TriMet's Project Manager, Director of Bus Maintenance, and Contract Administrator toured Nova's manufacturing facility, as TriMet had not previously procured a Nova bus and their ability to produce the bus types specified needed to be physically verified. TriMet subsequently determined that Nova is more than capable of manufacturing the buses as specified.

The tour was followed by interviews with both Nova and New Flyer, prior to issuing a request for BAFOs on July 25, 2019, to both Nova and New Flyer for sixty-foot articulated diesel and diesel-hybrid bus types. Responses were received on August 6, 2019, and the SEC determined the proposal submitted by Nova to be the most responsive to the evaluation criteria set forth in the RFP, for both bus types, as shown below:

Evaluation Criteria	Available Points	New Flyer	Nova
---------------------	------------------	-----------	------

**60' Articulated Diesel Bus**

Qualifications and Resources	20	10.00	16.88
Technical Capabilities	40	22.38	28.10
Price Score	40	40.00	38.46
<b>Total</b>	<b>100</b>	<b>72.38</b>	<b>83.43</b>

**\* Proposal Price ( 1 bus ) . . . \$818,901 \$856,141**

**60' Articulated Diesel-Hybrid Bus**

Qualifications and Resources	20	10.00	16.88
Technical Capabilities	40	22.54	28.25
Price Score	40	40.00	37.91
<b>Total</b>	<b>100</b>	<b>72.54</b>	<b>83.04</b>

**\* Proposal Price ( 1 bus ) . . . \$1,123,520 \$1,172,272**

<b>** 5-Year Contract Price . . .</b>	<b>\$213,244,264</b>	<b>\$203,532,320</b>
---------------------------------------	----------------------	----------------------

\* Total Proposal Price (1 bus) does not include training, test equipment, recommended special tools, spare parts, and extended warranties.

\*\* Total 5-Year Contract Priced derived by taking the average of 1 diesel and 1 diesel-hybrid bus, times 128, plus the total of 31 diesel buses (Delivery Order #1), and includes training, test equipment, recommended special tools, spare parts, and extended warranties associated with each Delivery Order. Pricing subject to change in option years 1 through 4 (Delivery Orders #2 through #5) and is dependent upon the number of buses, if any, are purchased in those option years.

Nova's price for each bus type compares closely to staff's independent cost estimates (ICE), shown below (which do not include training, special tools, and test equipment associated with each bus delivery):

	60' Diesel Bus	60' Diesel-Hybrid Bus
<b>Nova Per-Bus Price . . .</b>	<b>\$856,141</b>	<b>\$1,172,272</b>
<b>ICE Per-Bus Estimate . . .</b>	<b>\$960,000</b>	<b>\$1,210,000</b>

All dollar figures shown above are in current, FY2020 dollars. The contract includes a price escalation provision, based on a specific Producer Price Index pertaining to truck and bus production.

Nova Bus is part of the Volvo Group, the world's largest manufacturer of heavy-duty diesel engines and one of the leading manufacturers of trucks, buses and construction equipment. Sister brands include Mack Truck, Nissan Diesel, Volvo Trucks, Prevost, Renault Trucks,

and Penta. Volvo Bus Corporation, the world's second largest manufacturer of motor coaches and buses, is a global leader in Intelligent Transportation Systems (ITS) and Bus Rapid Transit (BRT) solutions with approximately 8,000 employees, 19 production facilities and annual sales of over 10,000 buses. Nova's references from other transit agencies are favorable.

This Resolution requests that the Board authorize the General Manager to execute the contract with Nova and issue the first-year order for thirty-one (31) sixty-foot, articulated diesel buses (FY2021), and to issue option year orders (years two through five (FYs 2022-2025) of the contract) at his discretion, subject to available resources and annual budget approvals. Execution of the contract and future options are contingent upon successful Pre-Award (current) and Pre-Delivery (future) Buy America Audits, as required to ensure compliance with FTA Buy America provisions.

**7. Diversity**

Nova manufactures and assembles all of its sixty-foot articulated diesel and diesel-hybrid transit buses at one location in Plattsburgh, New York, and subcontracts its supply chain distribution services through Spencer ARL New York, Inc., also located in Plattsburgh. Nova's workforce diversity information states that it has 334 employees, of whom nearly nine percent (9%) are minorities and over seventeen percent (17%) are female.

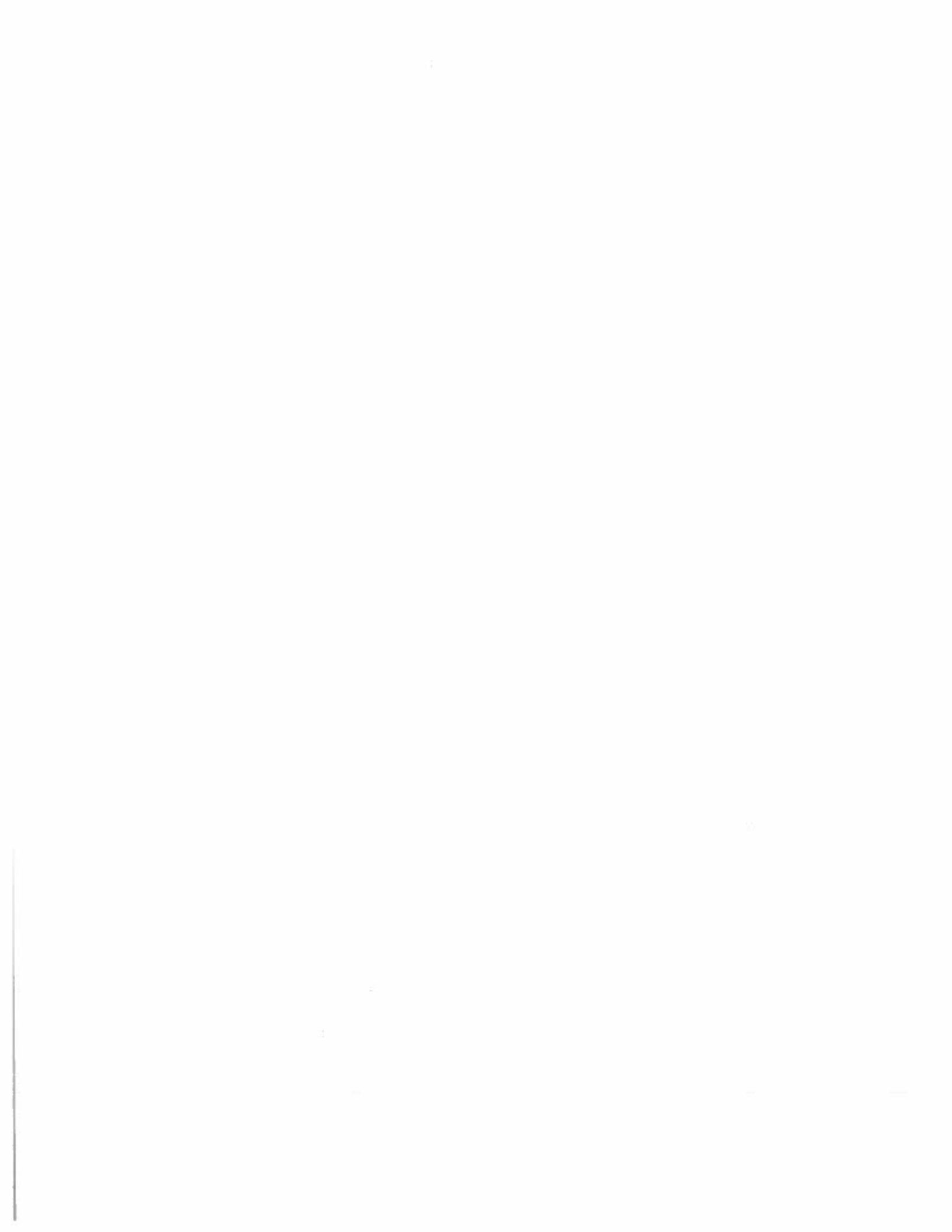
FTA regulations regarding participation by Disadvantaged Business Enterprises (DBEs) in FTA-assisted programs require transit vehicle manufacturers to certify compliance with DBE requirements to be eligible to bid or propose on FTA-assisted transit vehicle procurements. The regulations require transit vehicle manufacturers to submit directly to FTA a DBE participation goal for FTA approval. Nova exceeds its current FTA-approved DBE participation goal of 3.5%. Individual transit agencies have no role in this FTA approval process.

**8. Financial/Budget Impact**

Bus purchases under the proposed contract will be funded from a combination of federal and state grants, available operating resources, and possible bond proceeds. The funding mix for each bus order will vary, and will be part of the budget process for each fiscal year. TriMet will always pursue grant funding opportunities to reduce the amount of operating resources and/or revenue bond funding that may be needed.

**9. Impact if Not Approved**

The procurement of sixty-foot, articulated transit buses is integral to the completion of the DTP, and was specifically included in the grant application. If this Resolution is not approved, TriMet would not be in compliance with the conditions of its grant application, and would not be eligible for FTA grant monies associated with the DTP.



**RESOLUTION NO. 19-09-78**

**RESOLUTION NO. 19-09-78 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH NOVA BUS, A DIVISION OF PREVOST CAR (US), INC. (NOVA) FOR THE PURCHASE OF SIXTY-FOOT DIESEL AND DIESEL-HYBRID TRANSIT BUSES FOR THE DIVISION TRANSIT PROJECT (DTP) AND FUTURE SERVICE EXPANSION**

**WHEREAS**, TriMet has authority under ORS 267.200 to enter into a contract with Nova Bus, a Division of Prevost Car (US), Inc. for the acquisition of sixty-foot, articulated transit buses for fixed route service (Contract); and

**WHEREAS**, the total amount of the Contract exceeds \$1,000,000; and

**WHEREAS**, by Resolution dated October 25, 2017, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring it to authorize goods and services contracts obligating TriMet to pay in excess of \$1,000,000;

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Contract shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the Contract with Nova Bus, a Division of Prevost Car (US), Inc. for up to one-hundred fifty-nine (159), sixty-foot, articulated diesel and/or diesel-hybrid transit buses, in an amount not to exceed \$203,532,320, over the five-year term of the Contract.

Dated: September 18, 2019

\_\_\_\_\_  
Presiding Officer

Attest:

\_\_\_\_\_  
Recording Secretary

Approved as to Legal Sufficiency:

  
\_\_\_\_\_  
Legal Department

