

Date: September 25, 2024

To: Board of Directors

From: Sam Desue, Jr.



Subject: **RESOLUTION NO. 24-09-54 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH SCHETKY NORTHWEST SALES, INC. FOR THE PURCHASE OF THIRTY REPLACEMENT VEHICLES FOR LIFT PARATRANSIT SERVICE**

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 (Contract) with Schetky Northwest Sales, Inc. (Schetky) for the purchase of thirty (30) replacement vehicles for TriMet's LIFT Service.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Type of Contract Procurement

- Low Bid / Invitation to Bid (ITB)
- Request for Proposals (RFP) (inc. CM/GC)
- Request for Qualifications (RFQ) (Personal Services)
- Other: State Pricing Agreement (Piggyback)

4. Reason for Board Action

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

5. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

6. Background

TriMet's current fleet for delivery of LIFT paratransit service consists of 268 lift-equipped gasoline and renewable diesel-powered mini-buses, which require regular replacement as they reach the end of their useful life. TriMet's goal is to replace LIFT vehicles after nine years and approximately 230,000 miles. Regular maintenance and care allows TriMet to exceed that goal and retain its LIFT vehicles for longer than the standard transit industry practice of replacing paratransit vehicles after six years. Notwithstanding this high standard

of maintenance and care, TriMet anticipates and plans a schedule for regular replacement of LIFT vehicles under TriMet's capital budget planning cycle.

Ordinarily, the LIFT program plans to annually purchase 30 vehicles to replace vehicles that are beyond their useful life. Over the past two fiscal years, LIFT has been able to replace 84 vehicles and received tentative FY2025 budget authority to purchase another ten replacement vehicles. However, LIFT recently received state and federal grants that will allow LIFT to purchase an additional 20 vehicles. If authorized by the Board, this purchase would utilize \$4.3 million in state and federal grant funds, and \$1.15 million in general funds as the local match.

Because of the Covid-19 pandemic's effect on the worldwide supply chain, the price of most vehicles increased significantly, and all vehicle prices are expected to continue to increase over the next several years. Since 2018, the price of these specialized LIFT vehicles, manufactured for Schetky by Ford Motor Company, has more than doubled, from approximately \$80,000 to more than \$180,000 each.

The Board's approval of this Resolution would allow TriMet to purchase thirty LIFT vehicles for a total amount of \$5,450,000 (approximately \$182,000 each). This purchase will allow the LIFT program to replace, one-for-one, existing vehicles already beyond the useful life standard, and will help reduce the risk of late trips due to an insufficient number of consistently reliable vehicles. This purchase supports LIFT's ability to continue to provide timely, safe, and accessible service to riders in a more reliable and modern vehicle.

The vehicles identified for this procurement are fueled with unleaded gasoline. As staff explained to the Board in its presentation last October on Resolution No. 23-10-52 (the LIFT fuel contract), diesel-fueled chassis are no longer produced by the major manufacturers and alternate-fuel vehicles are still not produced that can meet the daily service demand placed on each LIFT vehicle.

7. Description of Procurement Process

To procure these vehicles, TriMet intends to piggyback on a State of Oregon Price Agreement (#9463), which enables TriMet to leverage favorable contract pricing and terms. The Price Agreement expires in October 2024 and has not been renewed. Before TriMet can execute a contract for this procurement, the vehicles must pass a pre-award, Buy America audit. While the audit is expected to be completed in the coming weeks, it may not be completed prior to the October expiration of the Oregon Price Agreement.

Should the Oregon Price Agreement expire prior to TriMet's purchase, TriMet will piggyback on a State of Washington Price Agreement (#06719-02), which offers similar, though slightly higher, pricing. Both Price Agreements leverage the collective volume of vehicle purchases from several other governmental agencies and offer better pricing than TriMet would be able to obtain alone.

8. Diversity

Schetky's workforce consists of 68 employees, of whom 12% are female and 27% are minorities. Schetky is self-performing the contract and there are no subcontracting opportunities.

9. Financial/Budget Impact

The Contract amount is included within TriMet's Adopted FY2025 Budget, and will be paid for with State and Federal Grants (\$4.3 million) and TriMet General Funds (\$1.15 million).

10. Impact if Not Approved

Regular replacement of LIFT vehicles is required for TriMet to continue providing reliable, FTA-mandated, paratransit service. Failure to take advantage of State Pricing Agreements for the bulk purchase of these thirty vehicles from Schetky would require TriMet to perform its own solicitation, which would duplicate the State solicitation process and likely result in higher pricing.

RESOLUTION NO. 24-09-54

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TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT WITH SCHETKY NORTHWEST SALES, INC. FOR THE
PURCHASE OF THIRTY REPLACEMENT VEHICLES FOR LIFT SERVICE**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Schetky Northwest Sales, Inc. (Schetky) for the purchase of thirty (30) replacement vehicles for LIFT Service (Contract); and

WHEREAS, by Resolution No. 22-05-35, dated May 25, 2022, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to authorize all Contracts obligating TriMet to pay in excess of \$1,000,000; and

WHEREAS, the total amount of the Contract will exceed \$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 in the amount of not more than \$5,450,000, through the Contract's July 30, 2025, termination date.

Dated: September 25, 2024



Presiding Officer

Attest:



Recording Secretary

Approved as to Legal Sufficiency:



Legal Department