

Memorandum

TAB 139

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 22-23, 2011

Reference No.: 2.8b.(1)
REPLACEMENT ITEM
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Subject: REQUEST TO EXTEND THE PERIOD OF CONTRACT AWARD FOR STATE-LOCAL PARTNERSHIP PROGRAM (SLPP) PROJECTS, PER SLPP GUIDELINES WAIVER-11-38

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) extend the period of contract award for the CNG Bus Procurement project by six months, to January 31, 2012.

ISSUE:

On January 20, 2011, the Commission approved Resolution SLP1B-A-1011-05 allocating \$33,989,000 to the Los Angeles County Metropolitan Transportation Authority (MTA) for the CNG Bus Procurement project. MTA is requesting additional time to complete the contract award bid process. Initially, MTA was going to procure 100 replacement buses by executing an option from an existing contract with North American Bus Industries. However, over the past several months, MTA's Board has made it clear that they would like to see a contract procurement that supports the local economy with new jobs, expansion of small business opportunities as well as encourage the use of greener technology. Therefore, in order to support the Board's commitment, MTA has withdrawn from its current procurement solicitation and will seek a new contract solicitation with a new manufacturer.

In addition, the new procurement contract would also change the size of the buses from 45-foot to 40-foot. Although smaller buses will provide fewer seats, it is estimated that the operations costs will decrease by 30 percent. Reduction in seating capacity will not impact existing fleet capacity since the new buses are the same size as the buses being replaced. Also, bus service levels planned for Fiscal Year (FY) 2011-12 are estimated to be 5 percent lower compared to FY 2010-11; therefore, the need to increase passenger seat capacity is not required.

BACKGROUND:

In April 2010, the Commission adopted SLPP Guidelines (Resolution SLP1B-G-0910-02) which require the agency implementing a project to request a time extension if the project will not be awarded within six months of the allocation.