



ITEM ID: 2023-324-0

TRANSMITTAL DATE: October 20, 2023

MEETING DATE: October 27, 2023

TO: Board of Directors

FROM: Arnold Hackett, Chief Financial Officer

SUBJECT: Purchase Order No. PO938-24 - Signal Maintainer Trucks - Recommendation to Award - Watsonville Fleet Group

Issue

The Authority requires Signal Maintainer Trucks to help maintain its signal infrastructure in a state of good repair.

Recommendation

Contracts, Operations, Maintenance, and Safety Committee recommended (5-0) that the Board authorize the CEO to award Purchase Order No. PO938-24 to Watsonville Fleet Group in an amount of \$1,217,200.00 for 13 Signal Maintainer Trucks. This is a one-time purchase with delivery of 12 of the vehicles to the Authority's Central Maintenance Facility (CMF), and one to the Arrow Maintenance Facility (AMF), within eight months after receipt of order.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Safety is Foundational:** We will stay on the leading edge by deploying new technologies and processes to enhance the safety and security of our riders, our fellow employees, and the communities we serve. The Signal Maintainer Trucks will help maintain the Authority's signal infrastructure in a state of good repair.

Background

The Authority has identified 13 aging signal maintainer trucks, 12 of which are owned by the

Authority and one that is rented in support of Arrow Service, that are in need of replacement. These vehicles are beyond their useful life, averaging nine years of age and over 160,000 miles, and have a high operating cost.

The Authority has considered several options to replace these 13 vehicles. The option to lease is costly and/or impractical given the special nature of the equipment.

Extensive research was done to identify zero emission vehicles that can be used to replace the signal maintainer trucks, including staff attendance at Advanced Clean Transportation (ACT) Expo in Anaheim. Unfortunately, zero emission signal maintainer trucks are currently not available in the market.

The 13 new vehicles to be purchased through this procurement will replace the Authority's current fleet of signal maintainer trucks, which are high mileage, unreliable, and beyond their useful life, with internal combustion gas-engine vehicles capable of running on renewable, E85 ethanol fuel.

Discussion

In May 2023, the Authority published Invitation for Bids (IFB) No. PO925-24 for seven different classes of MOW Specialty Vehicles, including Signal Maintainer Trucks. However, the bid price the Authority received for the Signal Maintainer Trucks was significantly over the Authority's Independent Cost Estimate (ICE).

The Authority has identified California State Department of General Services (DGS) Contract No. 1-22-23-20G, Fleet Vehicles - Trucks, as a procurement vehicle that can be used to purchase these Signal Maintainer Trucks at a more favorable price. DSG Contract No. 1-22-23-20G was awarded to Watsonville Fleet Group on a competitive basis on May 1, 2022. DSG Contract No. 1-22-23-20G expires on April 30, 2025. State and local governmental agencies, such as the Authority, are permitted to purchase vehicles under the terms, conditions, and pricing of DSG Contract No. 1-22-23-20G.

The Authority received quotes from Watsonville Fleet Group for the 13 Signal Maintainer Trucks, which totaled approximately \$1,217,200 inclusive of taxes and fees (or \$93,630 per vehicle).

Compared to the Authority's ICE of \$1,227,005.00 (or \$94,385.00 per vehicle), the total quoted amount represents a savings of approximately \$9,880.00. Furthermore, compared to the bid price of \$129,593.25 per vehicle received under IFB No. PO925-24, the total quoted amount represents a savings of approximately 28%. Therefore, the total quoted amount is deemed fair and reasonable.

Disadvantaged Business Enterprise (DBE) Requirements

Although this award will include Federal funds, this procurement was assigned a 0% DBE goal given the limited subcontracting opportunities.

Budget Impact

The amounts for which contract authority is requested are included in the Adopted Capital Budgets for FY2021-22 (\$1,124,600) and Arrow (RPRP) third party project (\$92,600).

Next Steps

Upon Board approval of this recommendation, the Authority will issue a Purchase Order to Watsonville Fleet Group. The Singal Maintainer Trucks would be expected to be delivered to CMF/AMF within eight months.

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