

Staff Summary

Item Number			
Department, Department Head Name: Office of MTA Deputy Chief Procurement, Louis A. Montanti			
Internal Approvals			
Order	Approval	Order	Approval
1	Procurement	6	President
2	Law		
3	CFO		
4	DDCR		
5	Buses		

SUMMARY INFORMATION	
Vendor Name New Flyer of America Inc.	Contract No. B40715
Description Furnish and Deliver 224 Low-Floor 60-Foot Diesel Buses with two Options to purchase up to 446 Additional Buses	
Total Amount: \$291,677,776 (245 Total Buses) ((\$266,751,238 Base of 224 Buses + \$24,926,538 Option for 21 Additional Buses)	
Contract Term (including Options, if any) 119 Months from Notice of Award (inclusive of delivery of 245 buses and provision of warranty support)	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Purpose

To request that the Board, pursuant to Public Authorities Law, Section 1209, subdivision 9(g), approve the purchase of 224 low-floor 60-foot diesel buses (“Buses”) with two options for up to 446 additional Buses (Option 1 for up to 21 and Option 2 for up to 425) as well as related items such as spare parts, special tools and equipment, diagnostic testing, technical documentation, and training from New Flyer of America Inc. (“New Flyer”). The base award will be in the total estimated amount of \$266,751,238. The Board is also requested to authorize the NYC Transit Assistant Chief Procurement Officer to approve the exercise of up to 21 additional Buses in the estimated amount of \$24,926,538 once funding becomes available. The contract also includes an option to purchase up to 425 additional Buses, which may be included in the 2025–2029 Capital Plan. Should the MTA choose to exercise any of these 425 option Buses, Board approval will be obtained prior to award.

Discussion

On February 22, 2022, the Board adopted a resolution authorizing the use of the competitive Request for Proposals (“RFPs”) in lieu of competitive bidding to award contracts for the purchase of up to 1,729 buses, which included 245 low-floor 60-foot Buses for NYC Transit. These Buses will be purchased to replace aging buses that have reached the end of their 12-year useful life and will operate out of NYC Transit depots located in Brooklyn, Queens, Manhattan, and the Bronx.

The solicitation was advertised in August 2022, at which time six bus manufacturers were directly contacted in an attempt to maximize participation. Pursuant to the statutory framework, the selection criteria, listed in descending order, were as follows: Overall Project Cost, Delivery, Overall Quality of Proposer and Product, Credit for New York State Content, and Other Relevant Matters. Selection Committee (“SC”) members were drawn from NYC Transit Department of Buses (“DOB”), Procurement, Office of Management & Budget, and Operations Planning.

Two low-floor 60-foot bus manufacturers, New Flyer, and Nova Bus US Inc. (“Nova Bus”) attended the pre-proposal conference held on September 8, 2022. Initial proposals were received on December 15, 2022, from New Flyer and Nova Bus. Oral Presentations were held in January 2023 and negotiations were conducted between March and October 2023. Negotiations centered on cybersecurity, pricing, delivery, alternate proposals, exceptions/deviation/clarifications to the technical specifications, and the terms and conditions. Nova Bus ultimately withdrew its proposal prior to submitting a Best and Final Offer (“BAFO”) as it decided to close its US manufacturing facility.

Staff Summary

New Flyer's BAFO for up to 245 Buses was received on October 20, 2023, in the total amount of \$295,756,218. As the BAFO pricing exceeded the budget allocated for this project and due to funding constraints, it was determined that only 224 Buses would be awarded in the base contract. The remaining 21 Buses have been reclassified as Option buses, which will be exercised once funding becomes available. The SC reviewed the BAFO in accordance with the evaluation criteria and unanimously recommended an award to New Flyer because it affords NYC Transit the Best Value.

Procurement, DOB, and NYC Transit's Cost Price Analysis Unit have determined the final price to be fair and reasonable.

When New Flyer was notified of its selection for award, it offered a unilateral price concession of \$1 million, which could be applied to one bus. The award to New Flyer will consist of \$264,696,094 (\$1,186,978 per bus) for 223 Buses; \$186,978 for one Bus; \$434,411 for qualification testing, diagnostic tools, and manuals; \$991,718 for an estimated quantity of training classes; and \$442,037 for capital spares for a total award amount of \$266,751,238. The award to New Flyer will also include an option to purchase up to 21 additional Buses in the estimated amount of \$24,926,538 as well as an option to purchase up to 425 additional Buses, which may be included in the 2025–2029 Capital Plan. In the event the Authority exercises its option more than one year after the Notice of Award, the BAFO prices are subject to a price adjustment formula.

New Flyer will build four pilot buses in order to expedite delivery of the production buses. Pilot buses are scheduled to be provided to NYC Transit in January 2025. The pilot buses will be used for configuration audit, qualification testing and in-service evaluation. The balance of 220 buses is scheduled to begin being delivered in August 2025 and be completed in November 2027, for an overall period of 45 months from Notice of Award. The above delivery schedule is based on the assumption that Notice of Award will be issued on or before January 31, 2024. New Flyer will utilize its facility in Jamestown, New York, to build subassemblies that will later be incorporated into each of its buses at its manufacturing facility located in St. Cloud, Minnesota.

New Flyer has committed to meeting a total New York State Content for the Buses of \$51,130,621, which represents 17.32 percent of the total award amount for 224 Buses.

New Flyer has certified that pursuant to EO 16, it is not conducting business in Russia.

The contract resulting from this procurement has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. New Flyer has not committed to all of the MTA's cybersecurity requirements but has agreed to review its cybersecurity framework to continuously improve its cybersecurity protections throughout the term of the contract.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights (DDCR) has established a zero percent M/WBE and zero percent SDVOB goals on this contract as, historically, there has been limited M/WBE attainment due to the lack of subcontracting availability.

Impact on Funding

This contract will be funded with 100 percent MTA funds. Funds for this procurement have been approved in the MTA 2020–2024 Capital Programs. A WAR certificate will be secured prior to award.

Alternatives

There are no alternatives. There is no reason to believe that conducting another solicitation will result in a better outcome.

Recommendation

It is recommended that the Board approve the purchase, pursuant to Public Authorities Law, Section 1209, subdivision 9(g), of 224 low-floor 60-foot Buses with two Options for up to 446 additional Buses as well as related items such as spare parts, special tools and equipment, diagnostic testing, technical documentation, and training from New Flyer in the total estimated amount of \$266,751,238 for NYC Transit. The Board is also requested to authorize the NYC Transit Assistant Chief Procurement Officer to approve the exercise of up to 21 additional Buses in estimated amount of \$24,926,538 once funding becomes available.