

**POTOMAC AND RAPPAHANNOCK  
TRANSPORTATION COMMISSION**

**RESOLUTION**

**MOTION:** \_\_\_\_\_

**RESOLUTION NO. 08-07-\_\_\_\_**

**SECOND:** \_\_\_\_\_

**OFFICIAL COMMISSION MEETING  
JULY 17, 2008**

**RE: AUTHORIZATION TO AWARD ORION BUS OVERHAUL CONTRACT  
TO MIDWEST BUS CORPORATION**

**WHEREAS**, PRTC's fleet includes thirteen (13) Orion buses that are eight years of age; and

**WHEREAS**, these vehicles will remain in the active fleet for at least another four years and will be retained in the contingency fleet for several years after retirement; and

**WHEREAS**, these buses are in need of overhaul in order to provide customers with a complete fleet of vehicles that are in excellent condition; and

**WHEREAS**, funds for this project are present in PRTC's FY2008 and FY2009 budgets, supplemented by budget adjustments that would have to be made to account for the state grant residuals from prior years and the local resources "freed up" by higher-than-anticipated FY 2009 state capital grant participation rates; and

**WHEREAS**, four bids were received but only one, from Midwest Bus Corporation, was deemed responsible and responsible; and

**WHEREAS**, the bid price of the responsible and responsive bidder, \$1,803,204, has been judged to be reasonable.

**NOW, THEREFORE, BE IT RESOLVED** that the Potomac and Rappahannock Transportation Commission does hereby authorize the Executive Director to award a contract to Midwest Bus Corporation for the overhaul of 13 Orion buses in the amount of \$1,803,204.

**BE IT FURTHER RESOLVED** that the Potomac and Rappahannock Transportation Commission does hereby authorize a contingency allowance of \$100,000.

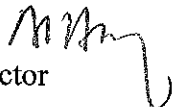


Potomac and Rappahannock  
Transportation Commission

14700 Potomac Mills Road  
Woodbridge, VA 22192

July 17, 2008

TO: Chairman Jones and Commissioners

FROM: Alfred H. Harf   
Executive Director

RE: Authorization to Award Orion Bus Overhaul Contract to Midwest Bus Corporation

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Recommendation:

Authorize PRTC's Executive Director to award Orion bus overhaul contract to Midwest Bus Corporation.

Background:

The thirteen (13) year 2000-vintage Orion buses are now eight years old, and they must remain in the active PRTC bus fleet for at least four more years before they qualify for retirement. PRTC's practice is to keep the buses beyond the twelve year old retirement-qualifying age as part of the active fleet and later as a "contingency bus fleet" so there is always a readiness to deploy extra buses as ridership growth warrants.

As PRTC did with its 1993 and 1995-vintage MCIs, the Orion buses are slated for a mid-life overhaul (as a supplement to ongoing preventative maintenance) to insure that PRTC's entire fleet remains in excellent condition irrespective of bus age. Overhaul work includes: exterior painting, rebuilding the air conditioning system, a major suspension overhaul, rebuilding the differential and brakes, adding aluminum wheels, new seat cushions and covers (as needed), replacement of operator's compartment panels, and a variety of other items.

Management advertised the procurement and received four bids, as follows:

- |                            |                      |
|----------------------------|----------------------|
| 1. ABC Bus                 | \$296,473.02 per bus |
| 2. Coach Crafters Inc.     | \$129,990.00 per bus |
| 3. Complete Coach          | \$204,267.90 per bus |
| 4. Midwest Bus Corporation | \$138,708.00 per bus |

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Only one of the bids received was deemed both responsive and responsible (i.e., the bid from Midwest Bus Corporation)<sup>1</sup>. Management's estimated cost of the overhaul work (furnished to Commission members at the time the procurement was authorized) -- \$100,000 per bus plus a 10 percent contingency for a total anticipated expenditure of \$1.43M -- turned out to be too low, because management mistakenly believed the unit cost for the Orions would be lower than it was for the MCIs done earlier owing to the fact that the Orions are transit buses rather than over-the-road coaches and are being scheduled for overhaul at an earlier age than the MCIs were. While these differences surely figured in the bid prices, inflationary conditions and the higher-than-inflation run-up of materials costs ended up driving bids higher than expected.

Management recommends awarding the Orion vehicle overhaul contract to Midwest Bus Corporation, notwithstanding the fact that its bid is higher than management's estimate. Management has concluded that proceeding in this fashion would be in PRTC's interest since the bids received evidence the fact that conditions have changed and therefore there is no reason to expect that lower bids might be in the offing if Midwest Bus Corporation's bid were rejected and a new competitive procurement were undertaken. Naturally the prospective award requires more funding than the amount explicitly incorporated in the budget for this project, and fortuitously there are ready sources for this -- (1) state capital grant residuals from prior years and (2) local funds budgeted in FY 2009 for capital ventures premised on a state capital grant participation rate that ended up being better than assumed. The total recommended award is \$1,803,204 (i.e., thirteen buses @ \$138,708 per bus), plus a \$100,000 contingency allowance (total \$1,903,204).

Fiscal Impact:

Funds for this contract are available in PRTC's FY2008 and FY2009 budgets, supplemented by budget adjustments that would have to be made to account for the state grant residuals from prior years and the local resources "freed up" by higher-than-anticipated FY 2009 state capital grant participation rates.

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<sup>1</sup> None of the other bidders had the experience with bus overhauls of the magnitude prescribed.