

Date: March 23, 2022

To: Board of Directors

From: Sam Desue, Jr.



Subject: RESOLUTION NO. 22-03-17 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH PENSKE TRUCK LEASING CO. LP (PENSKE) FOR LIFT VEHICLE CONTRACTED MAINTENANCE SERVICES

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 with Penske Truck Leasing Co. LP (Penske) for the procurement of LIFT vehicle maintenance services (Contract).

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 (inc. sole source):

4. **Reason for Board Action**

Board authorization is required for all goods and services 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**

The Americans with Disabilities Act of 1990 (ADA) requires public transit agencies to provide paratransit service, complementary to fixed-route service, to all who are eligible. If a person is unable to use fixed-route service because of a disability, the person is eligible for complementary paratransit service. TriMet's LIFT department provides demand-responsive,

origin-to-destination paratransit service that meets or exceeds ADA standards. Prior to the COVID-19 pandemic, LIFT provided approximately one million rides annually, but for FY2022, LIFT is only projecting approximately 400,000 trips. As we recover from the pandemic, LIFT expects the number of requested paratransit trips to increase.

Penske -- the current LIFT vehicle maintenance contractor -- is responsible for 232 LIFT vehicles operating within the LIFT service area. TriMet provides the LIFT buses, non-revenue maintenance vehicles, the maintenance facility, large shop equipment, utilities and fuel. The maintenance contractor is responsible for providing scheduled and unscheduled mechanical repairs, parts, and on-road response in order to keep LIFT buses available for service delivery. TriMet's contract with Penske for this service will expire on June 30, 2022.

Prior to the pandemic, approximately 20 personnel were required for LIFT maintenance services, but at this time, LIFT only needs 10 dedicated maintenance staff. However, TriMet and the contractor anticipate adding personnel commensurate with monthly mileage increases, until the maintenance contractor returns to full staffing.

7. Description of Procurement Process

TriMet issued a Request for Proposals (RFP) on January 7, 2022, with a proposal due date of February 7, 2022. A total of 72 vendors were notified of the RFP and two, Penske and Town Center Automotive (TCA), submitted proposals.

A Source Evaluation Committee (SEC) comprised of staff from Transportation, Finance & Administrative Services, and Business Planning & Asset Management reviewed and evaluated the two proposals. The evaluation criteria included: (1) qualifications of the proposer; (2) qualifications of the staff; (3) past performance; (4) accounting; (5) workforce diversity; (6) understanding of the work; and (7) price.

Overall scores of the two firms were as follows:

	Possible Points	Penske	TCA
<i>Evaluation Criteria</i>			
Qualifications of Proposer and Staff, Past Performance, Accounting, and Workforce Diversity	40	34.6	6.6
Understanding of the Work	30	28.0	5.0
Technical Proposal Totals . . .	70	62.6	11.6
Price Proposal . . .	30	30	6.2
Total Score . . .	100	92.6	17.8
Initial Pricing . . .		\$21,745,099	

After evaluating the proposals, the SEC determined that TCA's proposal did not demonstrate the technical capability to perform the LIFT vehicle maintenance services required by the RFP, and Penske was shortlisted to the competitive range. The SEC opened Penske's price proposal, and then invited Penske to submit a Best and Final Offer (BAFO) to clarify areas of its proposal and revise pricing.

TriMet received Penske's BAFO on March 1, 2022. In the BAFO, Penske's technical score did not change, but its price proposal increased somewhat to \$22,121,334. This amount was reasonably close to TriMet's independent cost estimate of \$22,156,324 for the services.

The proposed Contract with Penske will be for a base term of two years, with TriMet's unilateral option to extend the contract for four additional one-year terms, and the ability to terminate for any reason during that period. Price adjustments are not permitted, as Penske's BAFO pricing included their estimate of all costs during the possible six-year term of the Contract. The Contract will be a fixed unit price per vehicle mile contract, with allowances for pricing in excess or in deficit of TriMet's annual mileage projections.

Penske proposed a staff of mechanics who currently maintain TriMet's LIFT vehicles and will not require a mobilization period. In addition, Penske demonstrated that it has excellent relationships with TriMet staff, as well as staff from the LIFT Transportation and Central Dispatch contracts. The SEC also felt that Penske thoroughly demonstrated its ability to adapt to a COVID-oriented work structure (i.e., social distancing, the wearing of masks, disinfecting of equipment, etc.), and that it would be able to maintain future LIFT fleets with new vehicle technologies more effectively.

8. **Diversity**

Penske's total employee count for its Portland metro locations (which include TriMet, NW Portland, Columbia Boulevard, and Gresham) is 89, and its workforce is 16.9% minority and 11.2% female. Penske will use its own workforce to perform the services under this Contract.

9. **Financial/Budget Impact**

The services are included as a line item in TriMet's Transportation Operations Division's annual operating budget.

10. **Impact if Not Approved**

The current LIFT vehicle maintenance contract expires on June 30, 2022. Continuing operations of TriMet's LIFT Program requires that this service be provided. If the Resolution is not adopted, TriMet will need to re-procure these services. However, it is highly unlikely that re-soliciting will achieve better quality, price, or broader participation. Further, Penske's prices are fair and reasonable, and it is well qualified to perform these services. Contract award to Penske is strongly recommended.

RESOLUTION NO. 22-03-17

**RESOLUTION NO. 22-03-17 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT WITH PENSKE TRUCK LEASING CO. LP (PENSKE) FOR LIFT
VEHICLE CONTRACTED MAINTENANCE SERVICES**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Penske Truck Leasing Co. LP (Penske) for the procurement of LIFT vehicle maintenance services (Contract); and

WHEREAS, by Resolution dated October 25, 2017, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to authorize goods and services contracts obligating TriMet to pay in excess of \$1,000,000; and

WHEREAS, the total amount of the Contract exceeds \$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 \$22,121,334, with the total amount to be based on actual services utilized through the Contract's June 30, 2028, expiration.

Dated: March 23, 2022

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman
Legal Department