

Date: April 24, 2024

To: Board of Directors

From: Sam Desue, Jr. 

Subject: **RESOLUTION NO. 24-04-26 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH SCHETKY NORTHWEST SALES, INC. FOR THE PURCHASE OF SIXTEEN REPLACEMENT VEHICLES FOR LIFT SERVICE**

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 (Contract) with Schetky Northwest Sales, Inc. (Schetky) for the purchase of sixteen replacement vehicles for TriMet's LIFT Service.

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: State of Oregon Pricing Agreement (Piggyback)

4. Reason for Board Action

Board authorization is required for all 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

TriMet's current fleet for delivery of LIFT paratransit service consists of 268 lift-equipped gasoline and renewable diesel-powered mini-buses, which require regular replacement as they reach the end of their useful life. TriMet's goal is to replace LIFT vehicles after nine years and approximately 230,000 miles. Regular maintenance and care allows TriMet to exceed that goal and retain its LIFT vehicles for longer than the standard transit industry practice of replacing paratransit vehicles after six years. Notwithstanding this high standard of maintenance and care, TriMet anticipates and plans a schedule for regular replacement of LIFT vehicles under TriMet's capital budget planning cycle.

Ordinarily, the LIFT program plans on annually purchasing 30 vehicles to replace vehicles that are beyond their useful life, and over the past two fiscal years has been able to replace 84. Although LIFT received tentative FY2025 budget authority to purchase ten replacement vehicles, LIFT recently identified an opportunity to purchase sixteen stock vehicles from the vendor, at a lower unit cost than typical procurements. This purchase would utilize a current TriMet Transportation Division underspend in its FY2024 budget.

As a result of the pandemic on the world-wide supply chain, the price of most vehicles has increased significantly, and there is an expectation that vehicle prices will continue to increase over the next several years. Since 2018, the price of these specialized LIFT mini-buses, manufactured for Schetky by Ford Motor Company, has more than doubled, from approximately \$80,000 each to over \$170,000 each.

However, the sixteen vehicles subject to this Resolution would be purchased as part of a large order offered by Schetky Northwest Sales to ensure local transit providers have access to these vehicles. Participation in this large order will save approximately \$20,000 per unit, for a net saving of \$320,000 for the sixteen-vehicle procurement.

The Board's approval of this Resolution would allow TriMet to purchase the sixteen LIFT vehicles for a total amount of \$2,400,000 (\$150,000 each). This purchase will allow the LIFT program to replace, one-for-one, existing vehicles already beyond the useful life standard, and will help reduce the risk of late trips due to an insufficient number of consistently reliable vehicles. This purchase supports LIFT's ability to continue to provide timely, safe, and accessible service to riders in reliable and modern vehicles.

7. Description of Procurement Process

This Contract is subject to a State of Oregon Price Agreement (#9463) which permits TriMet to piggyback and leverage favorable contract pricing and terms. The Price Agreement guarantees that the pricing submitted to the State is the lowest price offered by the vendor, and leverages the collective volume of vehicle purchases from several other governmental agencies.

8. Diversity

Schetky's workforce consists of 68 employees, of whom 12% are female and 27% are minorities. Schetky is self-performing the contract.

9. Financial/Budget Impact

The Contract amount is included within TriMet's Adopted FY2024 Budget for the Transportation Division.

10. Impact if Not Approved

Regular replacement of LIFT vehicles is required for TriMet to continue providing reliable, FTA-mandated, paratransit service. Failure to take advantage of the State of Oregon Pricing Agreement for the bulk purchase of these vehicles from Schetky would require TriMet to perform its own solicitation, which would duplicate the State solicitation process and likely result in higher pricing.

RESOLUTION NO. 24-04-26

**RESOLUTION NO. 24-04-26 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT WITH SCHETKY NORTHWEST SALES, INC. FOR THE
PURCHASE OF SIXTEEN REPLACEMENT VEHICLES FOR LIFT SERVICE**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Schetky Northwest Sales, Inc. (Schetky) for the purchase of sixteen replacement vehicles for LIFT Service (Contract); and

WHEREAS, by Resolution No. 22-05-35, dated May 25, 2022, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to authorize all Contracts obligating TriMet to pay in excess of \$1,000,000; and

WHEREAS, the total amount of the Contract will exceed \$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 \$2,400,000, through the Contract's July 30, 2024, termination date.

Dated: April 24, 2024

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department