STAFF REPORT

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Update on the VanHool Air Conditioning Retrofit Project

ACTION ITEM

RECOMMENDED ACTION(S):
Consider authorizing the General Manager to award a contract to Complete Coach Works for installation of fifty (50) small operator air conditioning units on Van Hool buses.

BACKGROUND/RATIONALE:

On May 10, 2017 the District awarded a contract to ABC Bus, Inc. for the installation of sixty-two (62) small operator air conditioning units on VanHool 30 foot and 60 foot buses. During Best and Final Offer (BAFO) negotiations, District staff requested a detailed schedule from start to finish for each bus. ABC Bus, Inc. responded they would start after receiving the Notice to Proceed (NTP). The fully executed Contract for $789,232 and the Notice to Proceed were provided to ABC Bus, Inc. on May 18, 2017; ABC Bus, Inc. confirmed receipt and stated they would start to order parts.

Technical Services staff followed up multiple times with ABC Bus, Inc. to check on progress, and it became clear that they would not be able to start work on any buses due a change in key personnel, and their inability to get crucial items delivered. On July 21, 2017, Procurement staff sent ABC Bus, Inc. a formal letter requesting a revised schedule with a new start date to begin installation work by August 2, 2017. ABC Bus, Inc. confirmed receipt of the letter and confirmed the revised start date as August 2, 2017.

Again, District staff confirmed ABC Bus Inc. did not begin work on August 2nd, as agreed, therefore, a Cure Notice was sent on August 16, 2017. Per the Cure Notice, the deadline to start work was August 25, 2017. ABC Bus Inc. failed to cure the non-performance, no installation work was started, and none of the Scope of Work had been executed by August 25, 2017. ABC Bus, Inc. informed Procurement staff that they would not be able to start work for yet another 2 weeks, pursuant to the contract and Cure Notice, as agreed, because a key part was still on back-order.

Pursuant to this lack of performance and failure to Cure, Procurement staff issued a formal Termination for Default notice to ABC Bus, Inc. on August 30, 2017, informing that the District was hereby exercising the right to terminate Contract 2017-1397 Air Conditioning Units for VanHool Buses, per RFP 2017-1397, page 2, General Contract Conditions, Section 5, Termination for Default.
During the solicitation and evaluation of RFP 2017-1397 Air Conditioning Units for VanHool Buses, Complete Coach Works was also deemed as a responsive bidder. After the Termination letter was issued to ABC Bus, Inc., District staff contacted Complete Coach Works to inquire if they would still be able to execute the work at the proposed price. Complete Coach Works confirmed they are prepared to perform the small operator air conditioning unit retrofit on the VanHool 30 foot buses, they are familiar with the equipment, have access to all of the parts required, and guaranteed the proposed pricing.

Complete Coach Works' proposal was determined to be fair and reasonable, as was the ABC proposal that was initially forwarded to the Board for approval in May 10, 2017. In fact, Complete Coach Works’ proposal was the next highest score, and their price proposal was competitive, and less than the Independent Cost Estimate.

Consider authorizing the General Manager to award a contract to Complete Coach Works per RFP 2017-1397 Air Conditioning Units for VanHool Buses to complete the small operator air conditioning unit retrofit on fifty (50) VanHool 30 foot buses for a total of $528,700. Complete Coach Works is prepared to begin work on October 2, 2017, once the District issues the Notice to Proceed, and is targeting to have all fifty (50) buses completed by the end of May 2018.

**BUDGETARY/FISCAL IMPACT:**

This contract of $528,700 will be funded using $800,000 of District Capital Funds included in the current capital budget. The better pricing, and reduced quantity of buses requiring the retrofit, will result in a savings for the District of approximately $260,500.

**ADVANTAGES/DISADVANTAGES:**

The advantage of this project is improved working conditions for bus operators by providing cool air flow from the small air conditioning unit during the hot summer months.

**ALTERNATIVES ANALYSIS:**

An alternative to issue a contract to Complete Coach Works per RFP 2017-1397 Air Conditioning Units for VanHool Buses is to re-solicit for this work. The process to release another solicitation, collect bids, evaluate bids, and secure approval to award a contract could take up to six months. This would cause further delay to begin the air conditioning unit retrofit project well into the hot summer months of 2018.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

Staff Report 17-020: Consider Authorizing Issuance of a Request for Proposals for installation of small air conditioning units for the operator area on some VanHool buses.

Staff Report 17-020a: Contract Award For Installation of Small Operator Air Conditioning Units
ATTACHMENTS:

None

Approved by: Salvador Llamas, Director of Maintenance
Reviewed by: Denise Standridge, General Counsel
            Claudia Allen, Chief Financial Officer
            Sharon Dennis, Interim Procurement and Material Director
Prepared by: Stuart Hoffman, Technical Services Manager