
**PROCUREMENT OFFICER DETERMINATION
INTERGOVERNMENTAL COOPERATIVE
AGREEMENT PROCUREMENT (ICPA)**

TO: Mr. Paul J. Wiedefeld, Secretary
CONTRACT: OPS-25-006-GM FY26 40 Ft. and 60 Ft. Bus Buy
DATE: November 19, 2024

I. BACKGROUND

The Maryland Transit Administration (MTA) Bus Maintenance requested a new contract to provide for the purchase of thirty-seven (37) 40 ft. hybrid electric buses and ten (10) 60 ft. battery electric buses (BEB) partially utilizing the Urbanized Area Formula federal grant. This procurement will support MTA in maintaining the delivery of new buses to comply with the Federal Transit Administration (FTA) recommendation to limit age of transit coaches to no more than twelve (12) years old. Keeping a steady delivery of buses is critical to keeping the revenue bus fleet in an overall state of good repair and directly continues to the MTA goals for safe and reliable operations.

II. FINDING OF FACTS

In 2019, The Maryland Department of Environment (MDE), in coordination with other Maryland agencies and stakeholders, proposed the Greenhouse Gas Reduction Act (GGRA) to achieve Maryland's goal of reducing greenhouse gas emissions by 40% from 2006 levels by 2030. In the 2024 legislative session, it was recognized that supply and costs may adversely affect the ability of the MTA to transition the fleet as outlined in the GGRA including no longer purchasing any other type of bus besides zero emission buses. It now permits the MTA to purchase hybrid buses. Additionally, starting in the 2027 fiscal year, MTA will be prohibited from entering into a contract for buses unless they are zero emission buses.

In 2023, MTA conducted a competitive procurement in an effort to award a multi-year contract for as many as 350 BEBs. However, this effort was cancelled based on the determination the magnitude of amendments necessary necessitated cancelling and procuring buses via a new procurement.

In consideration of the state of good repair for the bus fleet, and the safety and operation risks associated with an increasing average age of the bus fleet, the MTA could not wait to complete another competitive procurement for a multi-year bus buy. To do so would leave a large gap in necessary delivery schedule of new coaches. MTA then considered an Intergovernmental Cooperative Purchase Agreement (ICPA) to provide a substantially quicker and more cost-effective procurement process that could fill the gap in new coach deliveries.

Utilizing an ICPA would allow MTA the time to re-evaluate our procurement strategies and requirements and conduct a long-term multi-year strategic bus buy to begin for 2028 fiscal year. MTA explored a few governmental entities' contracts to identify a suitable government contract for this purchase. At this time, the Washington State contract is the only ICPA contract which meets the requirements for this procurement, provides the closest scope of work, allows for bus delivery in approximately 18 months from placing the order satisfying the FTA requirements and reducing the emissions caused by MTA's fleet.

The Washington State contract for heavy duty hybrid electric and BEB buses has two contractors that can provide both models in the 40 ft. size and New Flyer is the only supplier of 60 ft. buses. MTA's primary consideration was lead-time for production and delivery.

Although it is important MTA considers some diversification as the market demand increases and the availability of vendors will continue to be limited, fleet standardization was a significant factor as well. Currently, the fleet contains both New Flyer and Nova Bus vehicles. By purchasing additional New Flyer coaches will reduce the costs associated with a new supplier such as maintenance training, operator training, inventory and materials management, inventory storage requirements, purchasing volume, and potential supply chain issues.

New Flyer hybrid electric buses and BEBs would provide MTA substantial advantage of maintenance commonality within several subsystems such as braking, electric, interior, exterior, operator controls, lighting, and safety. The support cost benefits are exponential for each of these common subsystems. MTA's fleet currently consists of 318 New Flyer clean diesel buses, 207 New Flyer diesel hybrid buses, and seven BEBs with another fifty hybrid electric and 20 BEBs on order for delivery next year.

The base pricing for New Flyer buses under the Washington State contract is as follows:

XDE 40 ft.	\$818,150.60
XE 60 ft.	\$1,687,278.08

The costs for converting a bus from Washington State configuration to MTA's configurate would increase the total bus price as follows:

XDE 40 ft.	\$1,157,457.04
XE 60 ft.	\$2,098,456.96

MTA compared the overall costs to historical pricing from New Flyer for previous procurements. Pricing on the forty-foot hybrid electric bus increase by 10% between pricing provided for FY 25 and FY 26 contracts. Although the base vehicle price was controlled by the Producer Price Index (PPI) for the vehicle body and determined by the Washington State contract, other components were not limited by the PPI adjustments. In addition, New Flyer managed the costs and most remained at the same pricing from the failed multi-year procurement from early 2023 for the FY 2025 bus buy. On a few items, New Flyer cut their own costs to hold pricing overall as close as possible between the 2023 pricing and the FY 2025 contract pricing. This also created a more significant increase on the base bus price as there were two PPI adjustments granted by Washington State between the pricing submitted in April 2023. This alone caused a minimum increase of approximately \$54,000 per bus. Similarly, the individual components which make up the Baltimore configuration, have also seen increases of similar size over the past two years which is why New Flyer is unable to take a loss on their own product like they did for the FY 2025 bus buy. With all these factors considered, the pricing was deemed fair and reasonable.

Based upon time, efficiency, and fleet standardization, it would be in the best interest of the State for MTA to utilize the Washington State contract to purchase 37 forty-foot hybrid electric buses and 10 sixty-foot battery-operated electric buses from New Flyer.

III. DETERMINATION

For the reasons stated above and in accordance with COMAR 21.05.09.03(B), the Procurement Officer has determined that the circumstances necessitate an intergovernmental cooperative agreement with Washington to purchase up to 37 forty-foot hybrid electric and 10 sixty-foot battery-operated buses from New Flyer with the approval of the Agency Head or designee.


PROCUREMENT OFFICER:

Heather Martin Digitally signed by Heather Martin
Date: 2024.11.19 15:21:01 -05'00'

Heather Martin
Contracts Division Manager

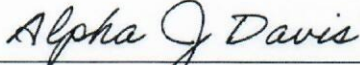
11/19/2024
Date

CONCURRENCE:


Jamaal Turner, CPPB
Director of Procurement

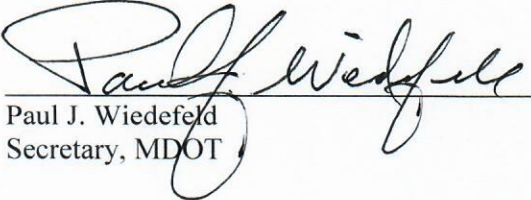
11/26/2024
Date

CONCURRENCE:


Digitally signed by
A. Joe Davis.
Date: 2024.11.26
Joe Davis for Holly Arnold
Administrator

11/26/2024
Date


APPROVED:


Paul J. Wiedefeld
Secretary, MDOT

11/25
Date

MEMORANDUM

TO: Samantha Biddle, Deputy Secretary
Maryland Department of Transportation, TSO

FROM: Holly Arnold  Digitally signed by
Holly Arnold.
Date: 2024.11.20
MTA Administrator

DATE: November 20, 2024

SUBJECT: Delegation of Authority

I will be out of the office Tuesday, November 26, 2024, and will return on Monday, December 2, 2024. While I am out of the office, I will have limited access to emails and cell phone service.

Joe Davis will be acting as my Delegate of Authority from November 26 through December 1, 2024.

His contact information is:

Joe Davis
410-301-1195 (Cell)
410-454-7228 (Office)
Email: jdavis3@mdot.maryland.gov

cc: Mr. Paul Wiedefeld, Secretary, MDOT
Ms. Kate Sylvester, Deputy Administrator, Chief Program Delivery Officer, MTA
Mr. Joe Davis, Deputy Administrator, Chief Operating Officer, MTA
Ms. Veronica Battisti, Senior Director, Communications & Marketing, MTA
Mr. James Gillece, Chief of Staff, MTA
Ms. Martha Gross, Executive Director, Transit Development & Delivery
Colonel Jerome Howard, Chief of Police, MTA
Ms. Minilla Malhotra, Deputy Administrator, Chief Administrative Officer, MTA
Mr. Edward Wilson, Chief Financial Officer, MTA
Mr. Michael Winger, Chief Safety Officer, MTA