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

TO: Mr. Paul J. Wiedefeld, Secretary
CONTRACT: OPS-25-007 GM FY26 Hybrid Electric and Battery-Operated Electric Bus Buy
DATE: November 15, 2024

I. BACKGROUND

The Maryland Transit Administration (MTA) Bus Maintenance requested a new contract to provide for the purchase of 10 forty-foot hybrid electric buses and 10 forty-foot 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 the age of transit vehicles to less than twelve (12) years old. Maintaining a steady delivery of buses is critical to keeping the revenue generating bus fleet functional and directly upholds the MTA's 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 reduce 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 to comply with the GGRA mandate. The transition includes the MTA to phase out its non-compliant vehicles and purchase hybrid, zero emission buses. Further, 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 purchase. To do so would leave a large gap in necessary delivery schedule of new coaches. The MTA has determined that utilizing the Intergovernmental Cooperative Purchase Agreement (ICPA) procurement method provides an efficient and cost-effective procurement process that could fill the gap in new bus deliveries. As the terms and conditions and other requirements inherent of these type of purchases have already been addressed, this provides an administrative efficiencies to the agency. In addition, utilizing an ICPA would allow the MTA the necessary time to re-evaluate its needs and conduct a procurement for a long-term source of supply for the 2028 fiscal year.

The MTA researched existing contracts from Virginia, California, and Washington State transit authorities to identify a suitable source of supply for this purchase. It was determined that the Washington State contract is the only ICPA contract which meets the requirements of the agency allowing for bus delivery in timely fashion and satisfying the FTA requirements of reducing emissions caused by MTA's fleet.

The Washington State contract for heavy duty hybrid electric and BEB buses has two contractors, Gillig LLC and New Flyer of America, Inc., that can provide both models in the 40 ft. size.

In consideration of its needs, the MTA has to diversify its fleet due to a bus manufacturing market that has significantly reduced the number of viable options of supply. As evidenced by current market research, in the past three years manufacturers have unfortunately:

- a) become ineligible to be awarded any federally funded contracts,
- b) been liquidated, and/or
- c) closed their U.S. manufacturing facility and are no longer Buy America compliant.

Therefore, the MTA needs to have a diverse fleet to ensure competition for future procurements and to avoid a sole source of supply of buses.

Gillig, LLC (Gillig) is the second vendor who is Buy America compliant and an FTA approved Transit Vehicle Manufacturer (TVM) for forty-foot buses of these types.

Gillig has successfully delivered well designed buses to various transit agencies and airports across the country. They have full range of propulsion technologies available and have ramped up their production facility to meet the demand of the transit industry. Montgomery County has been procuring Gillig buses for many years, and the bus fleet structure has performed satisfactorily in their duty cycle in extreme weather conditions.

By procuring these twenty (20) buses through Gillig, MTA will be able to diversify the fleet with a minimal risk factor. It will also help MTA with hands-on experience in operating and maintaining a different bus in the fleet. This will give experience to our mechanics, operators, inventory/warranty management, and the engineering staff in evaluating the performance of the Gillig bus in our duty cycle. As the demand for BEBs as well as Fuel Cell Electric Bus (FCEB) buses peak in the next two to four years around the country, having experience with a second approved bus manufacturer earlier will help MTA in selecting the bus with the best value for MTA, and negotiate delivery schedule in retiring the older buses on-time at twelve years to maintain a safe and reliable diverse fleet. This will not be possible if we are locked into a sole source and might not be able to get these buses delivered when required as the zero-emission bus transition continues.

The base pricing for each bus type under the Washington State contract is as follows:

40 ft. Hybrid Electric	\$894,804.62
40 ft. BEB	\$1,119,871.44

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

40 ft. Hybrid Electric	\$1,126,905.00
40 ft. BEB	\$1,445,910.00

In accordance with COMAR 21.05.09.04, MTA compared the overall costs to pricing from previously procured buses off the same Washington State contract. Comparing the hybrid electric bus pricing received for FY 2026 from another manufacturer was 2.64% less per bus. Comparing the BEB pricing from another manufacturer for FY 25 to Gillig's FY 26 pricing was 3.5% more. However, the Producer Price Index (PPI) for Truck and Bus Bodies was 7.15% increased. Therefore, it has been determined that the pricing from Gillig is deemed fair and reasonable.

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

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 10 forty-foot hybrid electric and 10 forty-foot battery-operated buses from Gillig, LLC with the approval of the Agency Head or designee. This is not intended to evade or circumvent the purposes set forth under COMAR 21.01.01.03.

PROCUREMENT OFFICER:


Heather Martin Digitally signed by Heather Martin
Date: 2024.11.15 09:53:23 -05'00'

11/15/2024

Heather Martin
Contracts Division Manager

Date

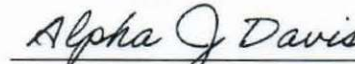
CONCURRENCE:


Jamaal Turner, CPPB
Director of Procurement

11/26/24

Date

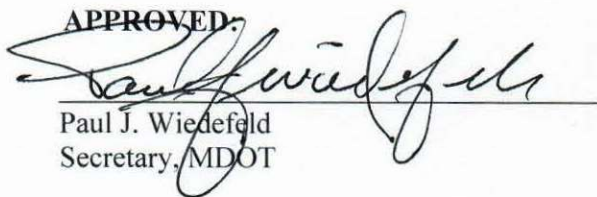
CONCURRENCE:


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

11/26/2024

Date

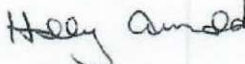
APPROVED:


Paul J. Wiedefeld
Secretary, MDOT

1/8/25
Date

MEMORANDUM

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

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

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