



November 9, 2017

To: Transit Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Sole Source Agreement for the Purchase of Ten Hydrogen Fuel Cell Electric Buses

Overview

The Orange County Transportation Authority has been awarded grant funds for the purchase of ten hydrogen buses, construction of a hydrogen fuel station, and modifications to facilities. The grant application was submitted in partnership with the bus and hydrogen fuel station manufacturers. A sole source agreement is required for the purchase of ten hydrogen fuel cell electric buses.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute sole source Agreement No. C-7-1701 between the Orange County Transportation Authority and New Flyer Industries, Inc., in the amount of \$13,307,125, for the purchase of ten hydrogen fuel cell electric buses.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2017-18 Adopted Budget, in the amount of \$13,307,125, to accommodate the purchase of ten hydrogen fuel cell electric buses.

Discussion

On February 13, 2017, the Orange County Transportation Authority (OCTA) Board of Directors (Board) authorized the Chief Executive Officer to negotiate and execute an agreement with the Center for Transportation and the Environment (CTE) to accept \$13,241,092 in grant funds from the California Air Resources Board (ARB) and the South Coast Air Quality Management District (SCAQMD). OCTA partnered with CTE, the Alameda Contra Costa Transit District, New Flyer Industries, Inc. (New Flyer), and Linde LLC to submit a grant application that would provide OCTA with ten hydrogen fuel cell electric buses, a liquid hydrogen fueling station, and modifications to facilities for the detection and emergency evacuation of hydrogen gas.

New Flyer was chosen because it has considerable experience with hydrogen fuel cell buses dating back to the early 1990s and is currently developing the only manufacturer warranted hydrogen fuel cell bus. In order to comply with the terms of the grant agreement and meet the ARB deadlines, a sole source agreement with New Flyer is necessary to purchase ten hydrogen fuel cell electric buses.

Under the terms of this firm fixed-price agreement, New Flyer will build ten hydrogen fuel cell electric buses on the Xcelsior platform, similar in design to OCTA's most recent 40-foot bus purchase. The propulsion system will consist of the Siemens Elfa electric-drive system energized by a bank of batteries that maintain a steady state of charge from a Ballard fuel cell with peak power of 85 kilowatts. The bus will include five tanks to accommodate 38 kilograms of hydrogen storage, with an anticipated range of 300 miles. The fuel cell, batteries, and electric-drive propulsion system come with a six-year warranty.

OCTA will provide a local match of \$7 million towards the purchase of the ten buses, which includes a \$1 million grant from SCAQMD. OCTA reduced its recent order of 40-foot buses specifically for these buses to ensure the fleet is properly sized. Funds from the reduction of the order will be used as OCTA's match. CTE will provide the in-plant inspection services and pay for OCTA staff travel to New Flyer for the production meeting and the inspection of the first article bus.

Major milestones include the delivery of the first article bus no later than May 2018, acceptance of the first article following 40 hours of revenue testing by the end of June 2018, and delivery of the nine remaining buses from December 2018 through January 2019.

Procurement Approach

The procurement was handled in accordance with OCTA Board-approved policies and procedures for a sole source procurement.

OCTA is one of the grant recipients of the award for the purchase of ten hydrogen fuel cell electric buses, construction of a hydrogen fuel station, and modification to facilities.

New Flyer is one of the members of the Fuel Cell Electric Bus Commercialization Consortium. In order to maintain the grant eligibility, OCTA is required to use New Flyer to build the hydrogen fuel cell electric buses.

The grant funding for the buses is a fixed amount of \$13,307,125, and includes ten hydrogen fuel cell electric buses. The warranty, service, and support provisions include the following:

- Standard two-year bumper-to-bumper warranty
- Twelve-year warranty on the chassis
- Six-year warranty and service and support for the fuel cell, batteries, and hybrid-drive electric propulsion system
- Standard 15-year warranty on hydrogen storage tanks
- New Flyer Connect data monitoring system and telematics with real-time data tracking during the six-year warranty, service, and support period

New Flyer's bid was reviewed by staff from the Contracts Administration and Materials Management and Motorist Services departments to ensure compliance with the contract terms and conditions, as well as the technical requirements.

OCTA's procurement policy requires that sole source procurements over \$50,000 be reviewed by OCTA's Internal Audit Department. However, since this is a grant award and the price of the buses was already established as part of the award, a cost analysis is not needed.

Fiscal Impact

The project was not included in the fiscal year 2016-17 budget. Funds will be added to account 2114-9024-D2157-OMN, Hydrogen Buses, upon Board approval of the budget amendment. This expenditure is offset by the ARB grant revenue in account 0030-6053-D2157-YHS, approved by the Board on February 13, 2017.

Summary

Based on the information provided, staff recommends award of Agreement No. C-7-1701 to New Flyer Industries, Inc., in the amount of \$13,307,125, for the purchase of ten hydrogen fuel cell electric buses.

Attachment

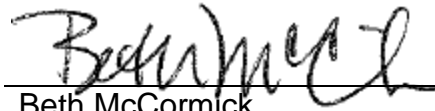
None.

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