



RESOLUTION No. 23-323

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

RESOLUTION AUTHORIZING THE FORCE MAJEURE PRICE INCREASE OF \$41,435 TO PURCHASE ORDER NO. 40804 AND AMENDING THE FISCAL YEAR 2022/23 TRANSIT SERVICES DIVISION BUDGET (4/5 AFFIRMATIVE ACTION REQUIRED)

WHEREAS, Resolution No. 21-106 approved the purchase for capital assets of one (1) ADA accessible Class B Glaval E-450 A – Z Bus Sales cutaway and four (4) ADA accessible Class V Ford V350 RO Bus Sales Shift n’ Step Transit vans via the CalAct/MBTA Cooperative Agreement No. 15-03; and

WHEREAS, Transit Services received four (4) ADA accessible Class V Ford V350 RO Bus Sales Shift n’ Step Transit vans via the CalAct/MBTA Cooperative Agreement No. 15-03; and

WHEREAS, the purchase of the one (1) ADA accessible Class B Glaval E-450 A – Z Bus Sales cutaway has been delayed due to COVID-19 supply chain issues; and

WHEREAS, cost increases resulted in a Force Majeure price increase to the CalAct/MBTA Cooperative Agreement as memorialized in Agreement No. 20-01. Per Caltrans and Federal requirements, CalAct/MBTA undertook an independent cost analysis performed by Raul V. Bravo & Associates (RVBA) on September 2, 2022. The independent cost analysis was approved by the CalAct Board of Directors and informed Cooperative Agreement No. 20-01; and

WHEREAS, this purchase increase is eligible to use State Transit Assistance (STA) funds; and

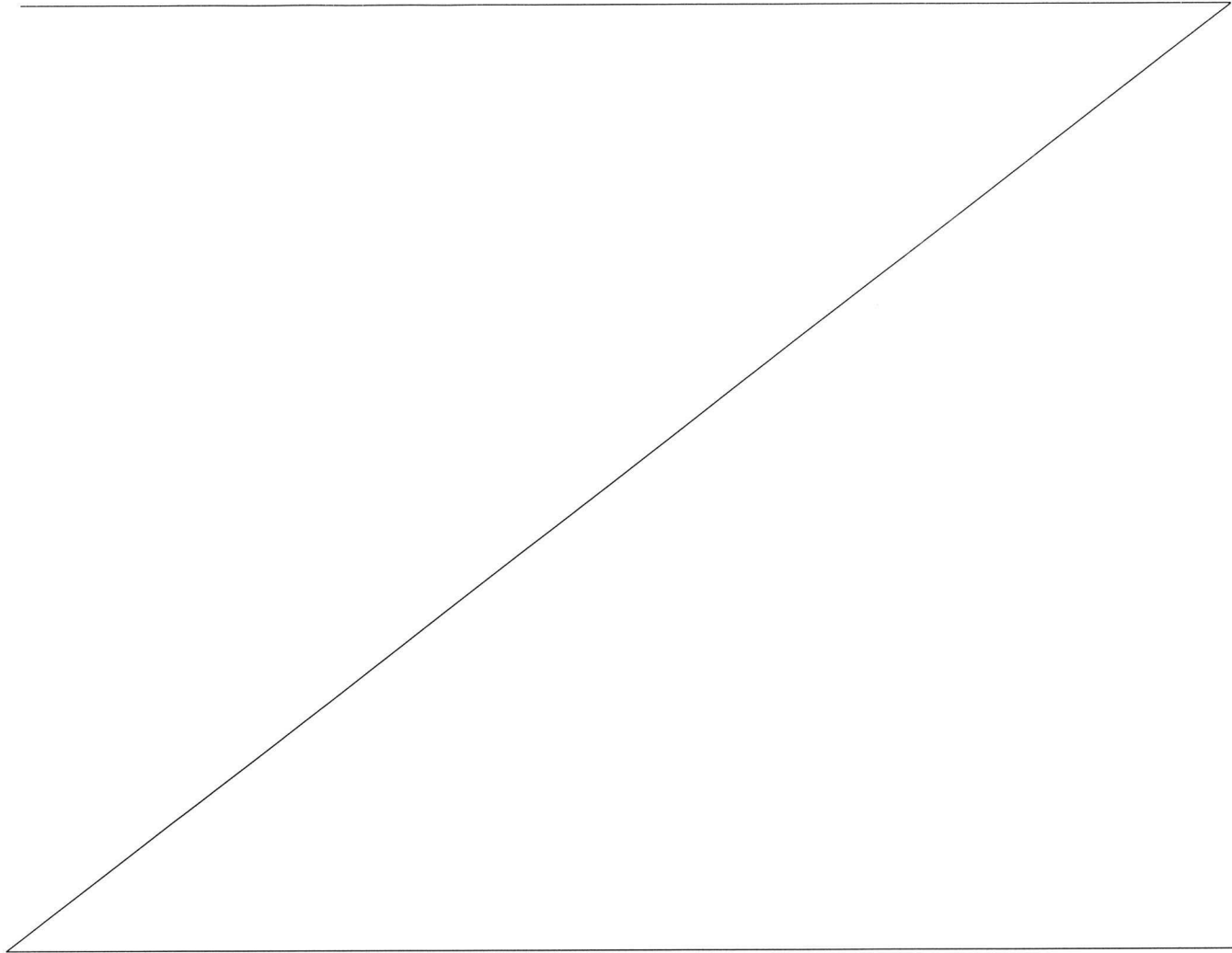
WHEREAS, Transit Services Division has sufficient fund balance in State Transit Assistance funds to cover the additional cost of \$41,435.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Nevada County Board of Supervisors:

1. Authorizes the County of Nevada Purchasing Agent to revise Purchase Order 40804 in the amount of \$41,435 for a total price of \$130,627 for the one (1) ADA accessible Class B Glaval E-450 A – Z Bus Sales, and;
2. Directs the Auditor-Controller to amend the Fiscal Year 2022/23 Transit Services Division Budget as follows:

Increase:

4281-91003-707-1000/540500	\$41,435
4281-91003-707-1000/440170	\$41,435



PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 27th day of June, 2023, by the following vote of said Board:

Ayes: Supervisors Heidi Hall, Edward C. Scofield, Lisa Swarthout, Susan Hoek and Hardy Bullock.

Noes: None.

Absent: None.

Abstain: None.

ATTEST:

JULIE PATTERSON HUNTER
Clerk of the Board of Supervisors

By: 


Edward C. Scofield, Chair

6/27/2023 cc: PW*
AC*



MBTA CalACT Cooperative RFP 20-01



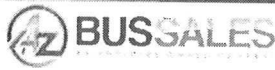
Customer:	Nevada County Transit		Quote Date:	3/17/2021	
Address:	12350 La Barr Meadows Road	County:	Nevada	Expires:	4/28/2021
City:	Grass Valley	Zip Code:	95949	Force Majeure:	5/22/2023
Contact:	Robin Van Valkenburgh	Office Phone:	530-470-2833	DSI Account:	
Email Address:	robin.vanvalkenburgh@co.nevada.c	Cell Phone:		Fax Number:	
Sales Representative:	Clay Hartman	Type:	B Ford Gasoline		

QTY	Option Description			Contract Price
GLAVAL BUS, TYPE B, FORD GASOLINE				
1	Gas - Cut-Away Chassis	Glaval	Chassis, E-450, 158", 7.3L V-8	
				Sub-Total Base Unit
				107,013.00

PUBLISHED OPTIONS				
4	Freedman Foldaway Seat (double)			1,387.00 5,548.00
1	Additional Mobility Aid positions (w/tie downs) 8100 L Track			617.00 617.00
5	Credit for seat delete			(106.00) (530.00)
1	Removable diamond floor access plate			73.00 73.00
1	Armored Marker lights and side turn signal			92.00 92.00
1	Sport 2.0 Drivers Seat Standard		nc	
2	8100 L Track tie downs ILO 360 series			(112.00) (224.00)
1	Mor-RYD Suspension			1,234.00 1,234.00
1	CrossOver Mirror			147.00 147.00
1	2 Way radio prep			177.00 137.50
1	AM/FM CD Per spec			-
1	Documentation Charges			80.00 80.00
1	DMV/State Fees			12.25 12.25
1	Delivery Zone 4			354.00 354.00
				Sub-Total Published Options
				7,540.75

NON PUBLISHED OPTIONS				
1	Apollo 7 camera system, 4TB, Event marker, accelerometer			6,453.00 6,453.00
				Sub-Total Non-Published Options
				6,453.00

SUMMARY					
SPECIFICATION SUMMARY					
Model Year:	2024	Make:	Ford	Wheelchair Lift Model:	Braun Century
Type:	B Gas	Chassis:	E-450	Wheelchair Lift Location:	Rear
Passenger Capacity:	14 + 2	Wheelbase:	158"	Number of Tie Downs:	3
Seat Fabric:	D90 Level 4	Engine:	7.3L V-8	Alternator:	OEM Ford
Air Conditioning System:	TA733	GVWR:	14,500	Tie Down Type:	Q'Straint DLX
Exterior Color/Graphics:	White Exterior	Body Length:	23ft	Estimated Delivery:	Jan-24



MBTA CalACT Cooperative RFP 20-01



Customer: **Nevada County Transit**

Address: **12350 La Barr Meadows Road** County: **Nevada**

City: **Grass Valley** Zip Code: **95949**

Contact: **Robin Van Valkenburgh** Office Phone: **530-470-2833**

Email Address: **robin.vanvalkenburgh@co.nevada.ca.gov** Cell Phone: _____

Sales Representative: **Clay Hartman** Type: **B Ford Gasoline**

Quote Date: **3/17/2021**

Expires: **4/28/2021**

Force Majeure: **5/22/2023**

DSI Account: _____

Fax Number: _____

QTY Option Description Contract Price

SUMMARY FEATURES & EQUIPMENT

Aluminized Steel Cage Construction	Fully Insulated Body Assembly Process
Galvanized Exterior Skins - Laminated Body Construction	ALL LED Exterior Lighting
One Piece FRP Roof Assembly	FRP Interior Sidewalls, Roof, Rear Walls
36" Electric Entry Door	Number, function, and color coded wiring
Ergonomic Driver Control Panel	Braun Century W/C Lift
Driver Side Running Board	Side Mounted Battery on Slide Out Tray w/High Amp Circuit Breakers
Remote control & heated Exterior Mirrors	
Standard 2-Step Entry with 12" First Step Height	96" Body Width
Dual Entry Grab Rails	Seating: D90 upholstery, Grab Handles, USR's, aisle arm rests
5/8" Marine Plywood Subfloor, with Aluminized Steel Sub-structure	ISO 9001:2008 Quality Manufacturing Process
Integrated Track Seating System	Ford QVM Certified Manufacturer
	Back Up Alarm, Anti-ride Rear Bumper
Daytime Running Lights	Front Mud Flaps
	Altoona 7 Year/200,000 Mile Tested
	Stanchion and Modesty Panel Behind Driver, with Plexiglass
5 YEAR / 100,000 Mile Limited Body Warranty	Meets All Applicable FMVSS Requirements in Effect at time of Manufacture

CONTRACT PRICING SUMMARY



Base Unit as Specified	107,013.00	
Published Options	7,540.75	
Non-Published Options	6,453.00	
Sub Total	121,006.75	
Mobility Aid Rebate shown for tax purposes	1,000.00	Reversed Below
ADA Portion that is non taxable	17,941.25	
Taxable Amount (subtotal less non taxable)	104,065.50	
Sales Tax	7,804.91	7.500% Grass Valley
CalACT MBTA fee of 1.5% of subtotal	1,815.10	
Grand Total, Each	131,626.76	
Less Mobility Aid Rebate	(1,000.00)	Reversal from above
Subtotal per bus	130,626.76	
Qty	1	
Grand Total	\$ 130,626.76	

Clay Hartman

Signature _____

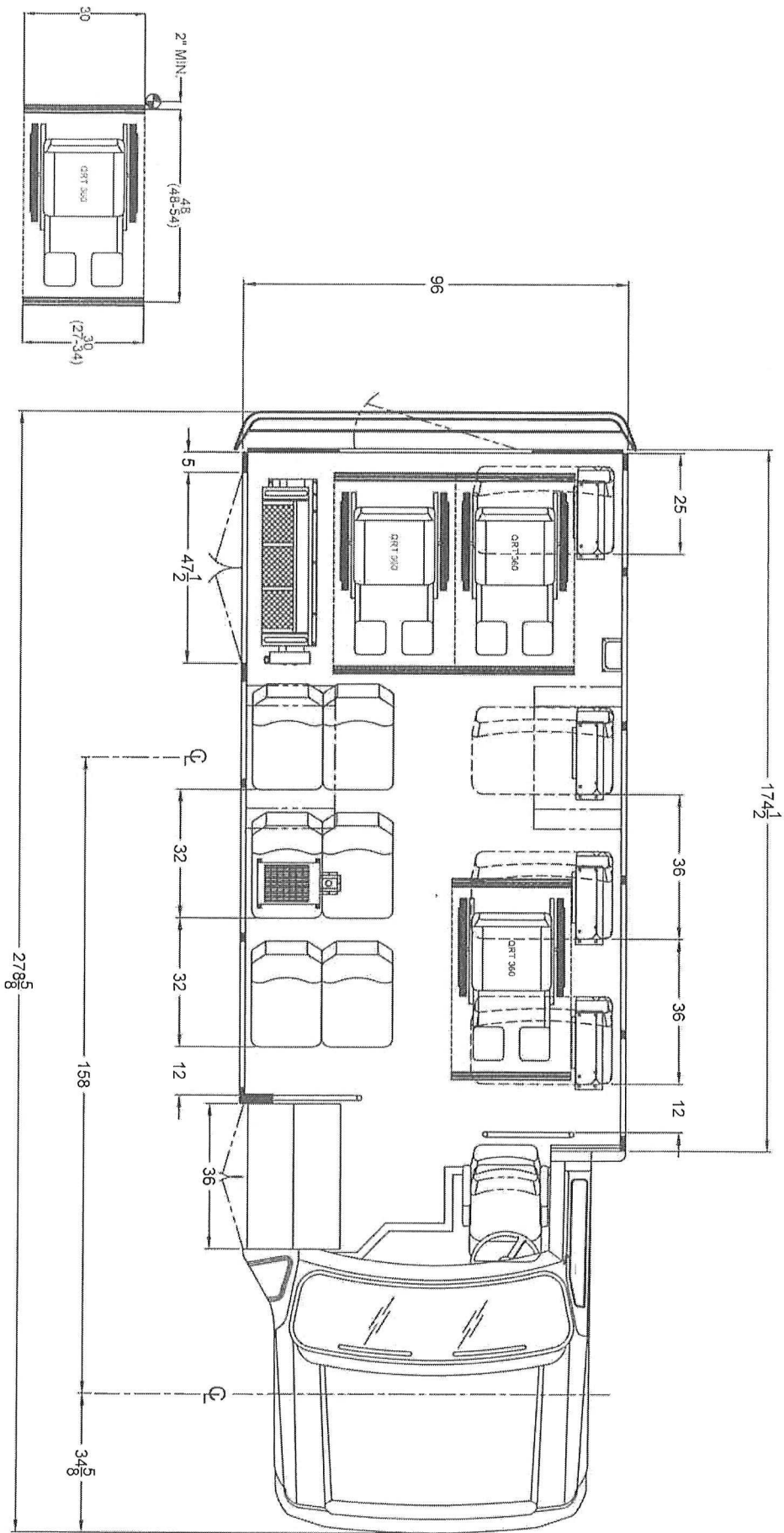
Signature _____

Date _____

Print Name Clay Hartman

Print Name _____

Nevada County
COMPANY/AGENCY



DEALER APPROVAL

APPROVED

CUSTOMER SIGNATURE

NOTE: SHOWN WITH MID HI FREEDMAN SEATS
 UNIVERSAL E-450 14,500 GVWR
 THIS FLOOR PLAN IS FOR ILLUSTRATION PURPOSES ONLY.
 A WEIGHT ANALYSIS HAS NOT YET BEEN PERFORMED.
 FINAL APPROVAL WITH A WEIGHT ANALYSIS IS REQUIRED UPON RECEIPT OF A
 COMPLETED ORDER WITH ALL OPTIONS SHOWN.
 OPTIONAL EQUIPMENT MAY BE SHOWN.
 THE SALES ORDER PLACED DICTATES ACTUAL OPTION CONTENT.
 STORAGE POUCH LOCATION

SCALE
IN INCHES

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REV	DESCRIPTION OF CHANGE	BY	CHK	DATE	ECN No	TOLERANCE UNLESS OTHERWISE SPECIFIED	DATE: 03/6/21	TITLE: 6/3 WC 4 DBL FOLDS 156" WG 163 BOY 22 UNIVERSAL
LEFT						WOOD ± 1/8"		
						OTHER ± 1/16"		
						± 1°		
						± 1/2°		

GLAVAL BUS
 Buses for the new millennium

DWG. No. 6.3 WC 4 DB FOLDS 156 163-1 GLAVAL



1900 S. Riverside Ave.
Colton, CA 92324

www.a-zbus.com

800-437-5522

5/22/2023

Robin Van Valkenburgh
Nevada County
12350 La Barr Meadows Road
Grass Valley, CA 95949

Subject: Force Majeure Pricing - 1 cutaway bus / PO 40804

Dear Robin,

Per our recent conversation, we are unable to hold pricing on the 1 cutaway bus which remains outstanding from Nevada County PO # 40804.

Covid and supply chain issues resulted in Force Majeure pricing to be requested and was approved for all bus providers to the MBTA procurement. It was a lengthy process that involved a 3rd party firm (RFBA in Virginia) representing MBTA to sign a DND with the bus manufacturers and then review all pricing related to the RFP. I have included a copy of that summary document.

I have attached a revised proposal on the 1 outstanding small bus, with pricing being in compliance with the Force Majeure process. Since we have a chassis on hold and already built, sitting in Indiana, we expect delivery by December 2023/ Jan 2024

I can tell you that in my 30 years with A-Z Bus Sales, this is the first time I've ever seen anything like what we're seeing related to manufacturing costs in all industries. It's also my first experience having to request Force Majeure. Not a fun process nor one I enjoy having to share with Nevada County.

Per MBTA/CalACT, and the Force Majeure process, Nevada County has the right to cancel the order if desired.

Clay Hartman
Transit Sales Manager



A-Z Bus Sales, Inc.
3418 52nd Ave
Sacramento, CA 95823

☎ 916-399-2904

☎ 916-217-3469 (cell)

✉ chartman@A-Zbus.com

COUNTY OF NEVADA

PURCHASING DIVISION
 950 MAIDU AVENUE
 NEVADA CITY, CA 95959
 (530) 265-1238 Fax (530) 265-7112



PURCHASE ORDER NO. 40804

PAGE NO. 1

Federal Excise Tax Exemption #94730213K
 Federal Tax ID #94-6000526

V [00001294
 E [A-Z BUS SALES INC
 N [P O BOX 700
 O [COLTON CA 92324
 R []

S [NEVADA COUNTY TRANSIT SERVICES
 I [12350 LA BARR MEADOWS ROAD SUITE 3
 P [GRASS VALLEY, CA. 95949
 T []
 O [ATTN: ROBIN VANVALKENBURGH]

ORDER DATE: 04/26/21		BUYER: DIANA WILBURN		REQ. NO.: 31933	REQ. DATE:
TERMS: NET 30 DAYS		F.O.B.:		DESC.: DIANA WILBURN FOR LIZ	
ITEM#	QUANTITY	UOM	DESCRIPTION	UNIT PRICE	EXTENSION
01	1.00	EA	PRICE PER MBTA CALACT COOPERATIVE RFP 15-03 2021/2022 GLAVAL BUS TYPE B FORD GASOLINE CUT-AWAY CHASSIS E-450 158" 7.3L V-8 PER QUOTE DATED 3/11/21 PRICE INCLUDES OPTIONS, TAX, 1.5% CALACT MBTA FEES. FA# 10062	89192.4300	89,192.43
02	1.00	EA	DMV TITLE INFORMATION: COUNTY OF NEVADA 12350 LA BARR MEADOWS ROAD SUITE 1 GRASS VALLEY, CA 95949	.0000	.00
03	1.00	EA	BILL TO: COUNTY OF NEVADA TRANSIT SERVICES DIVISION 12350 LABARR MEADOWS ROAD GRASS VALLEY, CA 95949	.0000	.00

ITEM#	ACCOUNT	AMOUNT	PROJECT CODE	PAGE TOTAL \$	89,192.43
01	4281910037071000 540500	89,192.43	70710000	TOTAL \$	89,192.43
02	4281910037071000 540500	.00	70710000	To avoid delays in payment, please note the Ship to and Bill To information above. Invoices are Net 30. Additional terms and conditions are on the reverse. Any attached contract terms and conditions supercede those on the reverse. This order is authorized by the County Purchasing Department.	
03	4281910037071000 540500	.00	70710000		

APPROVED BY _____

Robin Vanvalkenburgh
 PURCHASING AGENT

COUNTY OF NEVADA – PURCHASE ORDER TERMS & CONDITIONS

1. The County of Nevada reserves the right to cancel this order if goods are not shipped as directed, in a timely manner, or if items have not been shipped.
 2. Order must be filled exactly as specified; no exceptions. Alternates or substitutes will not be accepted unless authorized in writing or by telephone, followed by a written change order, by the Purchasing Agent or his or her authorized agent.
 3. Any correspondence referring to this order must be directed to the Purchasing Agent and include the purchase order number.
 4. Each shipment, packing slip, invoice, and all correspondence must be plainly marked and show the purchase order number and the department in whose care the material is shipped.
 5. No charge will be allowed for packing, boxing or cartage, unless agreed upon at the time of purchase.
 6. Merchandise must not be shipped C.O.D.
 7. Freight charges must be prepaid on all material sold F.O.B. destination. On shipments sold F.O.B. point of origin, prepay and add to invoice the actual shipping cost incurred. Original copy for paid express or freight bill must be attached to the invoice.
 8. All material and workmanship are subject to inspection and test by the County for compliance with specifications as included herein. In the event articles or services are defective or not in conformity with this order, the County shall have the right to reject the items or require correction. Defective articles or services shall be removed from County premises and/or corrected by and at the expense of the vendor. Failure to inspect and accept or reject shall not relieve the vendor from responsibility for compliance with specifications. Final acceptance shall be conclusive except as regards latent defects, fraud, or such gross mistakes as amount to fraud.
 9. The vendor shall hold the County of Nevada, its officers, agents, and employees harmless from liability of any nature or kind on account of use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, articles or appliances furnished or used under this order.
 10. In case of default, exceeding 14 calendar days, by the vendor of any of the conditions of this purchase order or bid, the County of Nevada may procure the articles or services from other sources and may deduct from the unpaid balance due the vendor or may collect against the bond or surety for excess costs so paid, and the prices paid by the County shall be considered the prevailing market price at the time such purchase is made.
 11. The vendor will not be liable for failure or delay in the fulfillment if hindered or prevented by fires, strikes, or acts of God, or other circumstances beyond the vendor's control.
 12. The County of Nevada will not be responsible for goods delivered or services rendered without an order on this form properly signed by the County Purchasing Agent or his authorized agent. When this order covers a continuing service rendered over a stated period of time, a new order must be obtained upon expiration of the time period to authorize the continuance of the service for an additional period of time. There are no automatic extensions.
 13. The County of Nevada is exempted from payment of Federal Excise Tax. No Federal Excise Tax should be included in price, Exemption Certificate will be furnished when applicable and if requested. Federal Excise Tax Exemption Certificate No. 94730213K filed with the District Director of the Internal Revenue, December 21, 1960.
 14. All disputes concerning questions of fact which may arise under this purchase order, and not disposed of by mutual consent, shall be decided by the Purchasing Agent of Nevada County.
 15. Vendor agrees that materials comply fully with safety regulations of EPA, OSHA, and CAL-OSHA.
 16. In the event that the materials are unsatisfactory or deemed by the County of Nevada to be unusable for their intended purpose due to contamination prior to delivery, unsafe or damaged packaging, or unsatisfactory substitution of materials/product, it will be the responsibility of the vendor to issue a pickup order and dispose of the returned material in a proper manner at no cost to the County of Nevada. Should the vendor fail to issue a pickup order within 14 calendar days, the County will dispose of the material and bill the vendor for all cost of such disposal including direct and overhead cost. The County may withhold any such charges from any payment owing to the vendor.
 17. The County of Nevada may, at its sole option, offer and promote the availability of products and pricing of any agreement formulated from the Request for Quotation to other governmental entities. Further, the County may enter into agreements with such other governmental entities whereby such entities may order products contained in this agreement.
- It is clearly understood and accepted that the County is not a dealer, re-marketer, agent or other representative of the vendor.
- Purchase orders for other governmental entities utilizing this agreement shall be submitted by that entity. The County of Nevada will not be liable or responsible for any obligations, including but not limited to, payment for any products ordered by other government entities.
- The County of Nevada and the Vendor acknowledge that any "piggyback" agreement is not to be construed as an order or commitment by the County to purchase any products.
18. Nevada County prohibits discrimination in employment or in the provision of services because of race, color, religion, religious creed, sex, age, marital status, ancestry, national origin, political affiliation, physical handicap or medical condition. This clause does not require the hiring of unqualified persons.
 19. Pursuant to Government Code 926.10, payment of interest is authorized at the rate of 6 percent per annum for payments made after the 61st day of date of an approved invoice.
 20. All applicable portions of the State of California Uniform Commercial Code shall govern contracts with the County of Nevada.



MBTA CalACT Cooperative RFP 15-03



Customer: **Nevada County - Gold County Stage**
 Address: _____ County: Nevada
 City: Grass Valley Zip Code: 95945
 Contact: Robin Van Valkenburgh Office Phone: 530-470-2833
 Email Address: robin.vanvalkenburgh@co.nevada.c Cell Phone: _____
 Sales Representative Clay Hartman Type B Ford Gasoline

Quote Date 3/11/2021
 Expires 4/28/2021
 DSI Account: _____
 Fax Number _____

QTY Option Description Contract Price

GLAVAL BUS, TYPE B, FORD GASOLINE

1	Gas - Cut-Away Chassis	Glaval	Chassis, E-450, 158", 7.3L V-8	
Sub-Total Base Unit				70,199.53

PUBLISHED OPTIONS

4	Freedman Foldaway Seat (double)			1,127.50	4,510.00
1	Additional Mobility Aid positions (w/tie downs)			852.50	852.50
1	Removable diamond floor access plate			121.00	121.00
1	Armored Marker lights and side turn signal			247.50	247.50
1	USSC G2 E Drivers Seat (If not standard)			nc	
1	Mor-RYD Suspension			907.50	907.50
1	Apollo 1 TB DVR w/ GPS (4 camera)			5,390.00	5,390.00
1	CrossOver Mirror			148.50	148.50
1	2 Way radio prep			137.50	137.50
1	AM/FM CD Per spec			-	
1	Documentation Charges			80.00	80.00
1	DMV/State Fees			12.25	12.25
Sub-Total Published Options				12,406.75	

NON PUBLISHED OPTIONS

Sub-Total Non-Published Options					-
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SUMMARY

SPECIFICATION SUMMARY

Model Year: 2021/2022	Make: Ford	Wheelchair Lift Model: Braun Century
Type: B Gas	Chassis: E-450	Wheelchair Lift Location: Rear
Passenger Capacity: 14 + 2	Wheelbase: 158"	Number of Tie Downs: 3
Seat Fabric: D90 Level 4	Engine: 7.3L V-8	Alternator: OEM Ford
Air Conditioning System: TA733	GVWR: 14,500	Tie Down Type: Q'Straint DLX
Exterior Color/Graphics: White Exterior	Body Length: 23ft	Estimated Delivery: 150 Days ARO



MBTA CalACT Cooperative RFP 15-03



Customer: **Nevada County - Gold County Stage**
 Address: _____ County: Nevada
 City: Grass Valley Zip Code: 95945
 Contact: Robin Van Valkenburgh Office Phone: 530-470-2833
 Email Address: robin.vanvalkenburgh@co.nevada.c Cell Phone: _____
 Sales Representative: Clay Hartman Type: B Ford Gasoline

Quote Date: 3/11/2021
 Expires: 4/28/2021
 DSI Account: _____
 Fax Number: _____

QTY Option Description

Contract Price

SUMMARY FEATURES & EQUIPMENT

Aluminized Steel Cage Construction	Fully Insulated Body Assembly Process
Galvanized Exterior Skins - Laminated Body Construction	ALL LED Exterior Lighting
One Piece FRP Roof Assembly	FRP Interior Sidewalls, Roof, Rear Walls
36" Electric Entry Door	Number, function, and color coded wiring
Ergonomic Driver Control Panel	Braun Century W/C Lift
Driver Side Running Board	Side Mounted Battery on Slide Out Tray w/High Amp Circuit Breakers
Remote control & heated Exterior Mirrors	
Standard 2-Step Entry with 12" First Step Height	96" Body Width
Dual Entry Grab Rails	Seating: D90 upholstery, Grab Handles, USR's, aisle arm rests
5/8" Marine Plywood Subfloor, with Aluminized Steel Sub-structure	ISO 9001:2008 Quality Manufacturing Process
Integrated Track Seating System	Ford QVM Certified Manufacturer
	Back Up Alarm, Anti-ride Rear Bumper
Daytime Running Lights	Front Mud Flaps
	Altoona 7 Year/200,000 Mile Tested
5 YEAR / 100,000 Mile Limited Body Warranty	Stanchion and Modesty Panel Behind Driver, with Plexiglass
	Meets All Applicable FMVSS Requirements in Effect at time of Manufacture

CONTRACT PRICING SUMMARY



Base Unit as Specified	70,199.53	
Published Options	12,406.75	
Non-Published Options	-	
Mobility Aid Rebate Value shown for taxable purposes	1,000.00	
Sub-total per Unit	83,606.28	
ADA Portion that is non taxable	12,512.25	
Taxable Amount (subtotal less non taxable)	71,094.03	
Sales Tax	5,332.05	7.500% Grass Valley
CalACT MBTA fee of 1.5% of subtotal	1,254.09	
Grand Total, Each	90,192.43	
Less Mobility Aid Rebate	(1,000.00)	A-Z Processes per MBTA contract
Subtotal per bus	89,192.43	
Qty	1	
Grand Total	\$ 89,192.43	

Clay Hartman

Signature

Clay Hartman

Print Name

Robin Van Valkenburgh

Signature

Robin Van Valkenburgh

Print Name

Date

COMPANY/AGENCY



Cost Analysis for Buses and Vans

RFP 20-01

Prepared by:

Raul V. Bravo + Associates, Inc.
Reston, Virginia

RVB+A

RAUL V. BRAVO + ASSOCIATES, INC.

September 2, 2022

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1 BACKGROUND

The Morongo Basin Transit Authority (MBTA) is the lead agency in a consortium formed in partnership with the California Association for Coordinated Transportation (CalACT), a statewide, non-profit organization representing small, rural, and specialized transportation providers. MBTA issues solicitations (joint procurements) that are competed, awarded, and administered by the agency in accordance with applicable law, regulations, and Federal Transit Administration (FTA) guidance. CalACT provides administrative support to MBTA in the assignment and acquisition and after sale support processes. Individual CalACT member agencies who are participating agencies identified in the scope of work are thus able to purchase vehicles from the contracts utilizing FTA funding.

Within the context of this cooperative purchasing arrangement, MBTA competed and awarded a series of contracts under MBTA Contract #20-01. Awards were made starting in September 2021 and made available for purchases by participating CalACT members.

Consistent with industry practices, the contracts were awarded to Dealers rather than the actual manufacturers (referred to as OEMs). Dealers either (1) purchase a semi-completed vehicle (referred to as a chassis, although including drive train and other components) for delivery to an OEM who modifies the chassis, creating a finished vehicle or (2) purchases the complete vehicle from an OEM. In the former case, the dealer's costs are driven by current chassis pricing at chassis dealerships representing major chassis manufacturers (e.g., Ford Motor Company) and current pricing demanded by the OEM. In the latter case, the same two variables drive current pricing, albeit packaged and presented as OEM pricing. Dealers' pricing is always fluid because the industry practice is that Dealers do not enter into fixed subcontracts for either chassis or finished vehicles.

The unforeseen hyperinflation seen across the country and the world since MBTA Contract #20-01 awards were made caused chassis manufacturers to raise chassis prices – whether charged to their own representative dealerships or to OEMs. The increases were immediately passed to the Dealers.

OEMs experienced internal cost increases as well, for both materials used in the manufacturing process and the labor necessary to complete that process. Again, those increases were passed to Dealers.

These cost pressures caused substantial cost increases for Dealers. While MBTA Contract #20-01 and similar contracts contain price escalation clauses tied to producer price indices, those indices have been overtaken by the multiple layers of cost increases in this market, putting Dealers in the unenviable position of holding fixed price contracts with pricing far below the actual costs levied by chassis manufacturers (whether through their representative dealers or OEMs) and OEMs.

Faced with potentially devastating losses, Dealers across the country have sought equitable adjustments in these contracts. Other major purchasers, such as state departments of transportation, have reportedly granted extremely large price increases, in several cases exceeding 50%. MBTA has not been immune to this phenomenon and Dealers under MBTA

Contract #20-01 have each asked for price increases in varying amounts based on vehicle type and by OEM.

MBTA determined performance by the Dealers was commercially impracticable. That is, while technically possible, performance would cause extreme and unreasonable costs and losses to a party (the Dealers) caused by unforeseen and unforeseeable circumstances (rampant worldwide inflation) not caused by the party that would suffer those extreme and unreasonable costs. MBTA relied on authority explained by FTA as follows:

FTA has received inquiries about whether FTA recipients are permitted to adjust existing contracts to address recent price increases. All recipients should take every reasonable measure to control costs and be good stewards of Federal dollars wherever possible. The applicable Federal requirements on adjusting existing contracts are contained in the OMB Uniform Guidance (codified at 2 CFR Part 200), which is the Federal regulation establishing uniform administrative requirements, cost principles, and audit requirements for Federal grant awards. In certain circumstances, the OMB Uniform Guidance permits the parties to an existing federally funded contract to modify the contract for several reasons, including price adjustments. When permitted to modify a contract, FTA recipients are responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. 2 CFR § 200.318(k).

MBTA conferred with FTA regional and headquarters officials and determined that this instance of commercial impracticability was within the intent of this FTA guidance. MBTA also recognized that FTA Circular 4220.1F treats contract change orders as sole source procurements for purposes of cost and price analysis and that the nature of the requested changes required a cost analysis.

Dealers and OEMs alike were generally reticent to provide cost information directly to MBTA, fearing the information would be released through state sunshine laws and harm their competitive positions. While Dealers were obligated to provide cost data in seeking price adjustments, the OEMs were not, since they had no contractual relationship with MBTA. MBTA thus retained RVB+A to conduct the required cost analyses under nondisclosure agreements with Dealers and OEMs.

2 PROCESS

MBTA notified Dealers and OEMs of the requirement for cost analyses and requested they enter into NDAs with RVB+A. Most were already under such agreements, based on RVB+A's earlier work providing Buy America pre-award audits related to MBTA Contract #20-01.

In its interaction with FTA, MBTA outlined the limitations on cost analysis (i.e., that Dealers could provide cost experience for chassis and OEM charges, but other than very limited miscellaneous costs (e.g., fuel for deliveries), that constituted the universe of Dealer costs). MBTA also outlined its approach to seek underlying or backup information directly from OEMs to better understand the actual bases for price increases.

Dealers and OEMs provided cost documentation directly to RVB+A for analysis, allowing RVB+A to advise MBTA on the reasonableness of requested price increases.

3 FINDINGS

Dealers, with whom MBTA has direct contractual relationships, were generally cooperative, providing documentation of the amounts charged by chassis vendors and OEMs. While this data amounted to the minimum necessary to conduct a cost analysis – i.e., they are the vendors' costs – that dataset is admittedly limited, as discussed with FTA. Moreover, the pricing sophistication among Dealers is quite inconsistent. Some operate sophisticated cost accounting systems while others simply collect upstream cost documents in rudimentary files

OEM cooperation was inconsistent. While all provided some degree of documentation, some were noteworthy in their cooperation while others were more opaque, providing extremely limited documentation. Those with more robust cooperation allowed RVB+A to assess the reasonableness of those less forthcoming. It was clear that some OEMs have done a particularly good job at controlling internal costs, but this was limited to their material and labor costs – not the chassis costs – and this efficiency was not seen on an industry-wide scale. Moreover, without full information we cannot say with any degree of confidence that OEMs did not, in some cases, build in hedging against future cost increases in their Dealer pricing. The fact that MBTA and other transit agencies have privity of contract only with the Dealers meant MBTA had little ability to insist on more robust data from OEMs.

Chassis manufacturers provided no internal cost information, leaving RVB+A to look to the prices charged for particular chassis configurations to various Dealers and OEMs. Some OEMs have limited agreements with chassis manufacturers, allowing a short-lived degree of pricing stability, but most of the industry is reliant on day-to-day chassis pricing, akin to commodity pricing. Moreover, there is limited availability of chassis at any price, further compounding the difficulties faced by Dealers and OEMs. In some cases, we learned that Dealers and OEMs had to wait until 2023 pricing was released to know their actual costs. We found that even the best-situated of OEMs have largely been unable to keep increases much below 20%.

Chassis pricing was exacerbated by revocation of discounts offered for chassis destined for public transportation service. Thus, in addition to price increases, discount unavailability (typically far larger than the price increase by about a factor of three) meant overall pricing far outpaced applicable Producer Price Indices.

Events have proven that the fixed pricing of cutaway contracts is fragile at best. It would only be with intervention at the national level that price stability could be reasonably maintained in the extreme economic conditions experienced in the last two years.

4 COST REVIEWS

Chassis increases range from about 7% to 17%, depending on model, with no practical opportunity to negotiate and little or no competition. There is no room for negotiation due in part to the scarcity of inventory. The fact that almost every chassis used is a Ford product creates a monopolistic situation that further precludes competition.

OEM pricing varies by model and OEM as well. In general, OEMs like TurtleTop demonstrably limited their cost increases and those efforts are generally reflected in lower requested increases from their Dealer. As noted above, other OEMs were less forthcoming in their data sharing than TurtleTop and report larger increases. Because the models vary greatly, we have broken down the findings by Class.

With limited information on the underlying OEM costs, we combined cost analysis of costs experienced by the Dealers with price analysis, comparing the proposed prices to determine if they remained fair and reasonable. Moreover, we note that Producer Price Index 1413 increased approximately 19.5% from the time bids were submitted to the present, and that this increase could reasonably expect to be magnified by the extraordinary increases in net chassis costs.

MBTA attempted to gather information on increases granted in the schedules of other states however the significant differences in configurations and limited responses by other state DOTs rendered the results of little, if any, practical value. One exception to this was found in Washington state. There, the Washington State Department of Enterprise Services (DES) competed and awarded schedule contracts at roughly the same time and roughly analogous to MBTA Contract #20-01. Faced with a similar situation, DES determined that normal escalator measures were insufficient, conducted a comprehensive cost analysis, and determined an across-the-board price increase of just over 50% was appropriate. DES also noted their determination was in line with other states they had canvassed.

Our analysis assumed no increase in profit at the Dealer level, obviating the need to separately negotiate profit in each case.

The Dealers involved provided sufficient information of their cost experience to support their requested increases.

4.1 Class A

In addition to cost information from the three dealers under contract, we reviewed the magnitude and resulting prices. While the Glaval product offered by A-Z Bus would have a smaller percentage increase (on the T350 model), the resulting pricing would virtually match the StarCraft and StarTrans pricing. The TurtleTop model offer by Davey carries a percentage price increase closer in line with StarTrans and StarCraft, that model remains the lowest priced of the four.

In assessing the reasonableness of the requested increases, the well documented cost increases reported by TurtleTop suggest the requested increases, essentially bracketing the TurtleTop/Davey request, are reasonable.

Each of the resulting prices appear fair and reasonable in the current market. Requested increases for optional equipment were generally consistent with the established base model costs and also appear fair and reasonable. Where there were instances of inconsistency, costs were specifically confirmed.

4.2 Class C

In addition to cost information from the three dealers under contract, we reviewed the magnitude and resulting prices.

For the conventional propulsion model, the requested percentage increases were generally consistent, with the Diamond model offered by A-Z Bus a lower outlier. That model was among the higher priced models originally, but with the dollar increase six to eight thousand dollars lower than the competitors, the resulting prices are reasonably close. Because Diamond was among the most opaque of the OEMs, we can only speculate on the reasoning behind the smaller increase. Their offering moved from among the highest priced offerings in this class to the lowest priced and may reflect the OEM attempting to gain market share. As with the Class A offerings, we relied heavily on the TurtleTop request as a measure of reasonableness and, with the exception of the Diamond model, all were reasonably consistent with that standard.

For the CNG model, we saw a similar pattern. Except for the StarTrans and StarCraft models offered by Creative, the requested dollar increases tracked those for the conventional propulsion models. These requests were each about \$5,000 higher than the requested increases on the conventional propulsion models, although the requested percentages were slightly lower.

In assessing the reasonableness of the requested increases, we note that while the StarTrans and StarCraft dollar requests are higher than the TurtleTop request, both dollar and percentagewise, that difference is not large enough to call it unreasonable.

Each of the resulting prices appear fair and reasonable in the current market. Requested increases for optional equipment were generally consistent with the established base model costs and also appear fair and reasonable. Where there were instances of inconsistency, costs were specifically confirmed.

4.3 Class D

In addition to cost information from the two dealers under contract, we reviewed the magnitude and resulting prices.

The Braun model offered by Creative was and remains the higher priced option for purchasers. While the delta in requested percentages appears significant (22.09% and 27.4%), this is largely a matter of low overall pricing. These are minimally modified vans that are relatively inexpensive. The dollar difference in proposed increases is less than \$3,000. Independent monitors report the price of commercial vans increased more than 18% in 2021 alone (see <https://www.mwsmag.com/commercial-vehicle-demand-is-rising-and-so-are-prices/>), suggesting the requested increases are not unreasonable.

Each of the resulting prices appear fair and reasonable in the current market. Requested increases for optional equipment were generally consistent with the established base model costs and also appear fair and reasonable. Where there were instances of inconsistency, costs were specifically confirmed.

4.4 Class E

In addition to cost information from the three dealers under contract, we reviewed the magnitude and resulting prices.

Class E vehicles include the most competition among chassis manufacturers and the CALACT schedule offers those built on Ford, International, and Freightliner chassis.

For both conventional and CNG propulsion models built on the Ford F-550 chassis, and much like we saw in Class A vehicles, the Glaval products offered by A-Z Bus would generally have a smaller percentage increase than competing models. The resulting pricing would be comparable to the TurtleTop pricing. The TurtleTop models offered by Davey carry relatively low percentage price increases. The increases for StarCraft and StarTrans models were substantially higher both in terms of dollars and percentages, more than 10% higher than the TurtleTop pricing.

In assessing the reasonableness of the requested increases, we note the wide variability of price increase requests, but that the resulting differences are not large enough to call them unreasonable.

Class E vehicles built on an International chassis are only provided by StarCraft and StarTrans, with both sold by Creative Bus. The requested increases for those models (about 25%) were in line with other offerings by StarCraft and StarTrans, after accounting for lower chassis cost increases levied by International. While generally a more expensive vehicle, the dollar increases requested for these models were lower than those requested for the F-550 based models.

Class E vehicles built on Freightliner chassis are offered by the same three Dealers and the same four OEMs as those built on the Ford chassis. Consistent with increases seen across the Class and across the broader schedule, TurtleTop and Glaval generally requested smaller increases, StarCraft and StarTrans larger. The latter are consistent with the increases requested for the International-based vehicles (slightly higher) and in line with other Class E models from a dollar perspective.

Each of the resulting prices appear fair and reasonable in the current market. Requested increases for optional equipment were generally consistent with the established base model costs and also appear fair and reasonable. Where there were instances of inconsistency, costs were specifically confirmed.

4.5 Class G

In addition to cost information from the two dealers under contract, we reviewed the magnitude and resulting prices.

Class G vehicles are manufactured by Arboc, represented by Creative Bus, and New England Wheels, represented by Davey Coach. The Creative/Arboc group seeks relatively modest increases, ranging from 9.26% for a Class G vehicle built on a GM chassis, to 12.94% for a CNG model built on an E-450 chassis. Each of the requested increases is reasonable and Arboc appears to be particularly adept at controlling its costs, although, Arboc was one of the more opaque OEMs.

New England Wheels, with its model designated as a 'compact' Class G, seeks an almost 27% increase in its sales price (the comparable Arboc model would see an almost 10% increase). New England Wheels was one of the more forthcoming manufacturers and provided strong support for the requested increase. This further supports the reasonableness of the Arboc requests.

Each of the resulting prices appear fair and reasonable in the current market. Requested increases for optional equipment were generally consistent with the established base model costs

and also appear fair and reasonable. Where there were instances of inconsistency, costs were specifically confirmed.

4.6 Class M

Arboc provides diesel and CNG models in this class and is the only provider of Class M vehicles. Again, while Arboc was more opaque than others, its increase requests (about 10.5% and just under 15%) appear reasonable in context. These are the largest vehicles in the schedule so while the percentage increases are relatively small, the dollar increases (more than \$35,000 and \$56,000) are substantial, but not so large as to be unreasonable.

Each of the resulting prices appear fair and reasonable in the current market. Requested increases for optional equipment were generally consistent with the established base model costs and also appear fair and reasonable. Where there were instances of inconsistency, costs were specifically confirmed.

4.7 Class P

In addition to cost information from the two dealers under contract, we reviewed the magnitude and resulting prices.

RO Bus provides a Class P vehicle manufactured by Sunset and has asked for an increase of over 46%. Sunset provided reasonable support for this large increase. The only competitor on the schedule is Creative Bus, selling a model formerly manufactured by Lone Star and now, after an acquisition, by Braun. The requested increase is larger, owing in large part to the shift in OEMs and Creative Bus was particularly helpful in obtaining Braun information upon which to establish the reasonableness of both the requested increase and the resulting price.

While highly divergent (about \$127,000 versus almost \$147,000), the resulting prices appear fair and reasonable in the current market. While the increases were among the largest percentage increase requested for any class, they are below the more than 50% increases authorized by Washington State. Requested increases for optional equipment were generally consistent with the established base model costs and also appear fair and reasonable. Where there were instances of inconsistency, costs were specifically confirmed.

4.8 Class V

In addition to cost information from the dealers under contract, we reviewed the magnitude and resulting prices.

This class is, with the exception of Class D vans, the most inexpensive class of vehicles on the schedule and it the most competitive with five Dealers representing a total of seven OEMs. Original pricing ranged from about \$52,500 to just over \$60,000.

As seen across the schedule, different OEMs drive different increase requests. In this case, this was compounded by wide variability in the chassis costs.

For this class, Dealers typically purchase a chassis from a Ford dealership and direct delivery to the OEM for completion. Historically, the U4X chassis came with substantial price concessions

that were passed along to the purchasing transit agencies. As noted above, those price concessions have been almost completely eliminated by Ford and, when added to price increases, have caused substantial increases in Dealer costs. Because the Dealers work with individual Ford dealerships, they have significantly different cost experiences, with as much as 30% variation. Given this wide variation and the fact that the chassis represents the overwhelming majority of costs for a Class V vehicle, it was not surprising to see (for the 350 EL version) requested increases ranging from under 12% (on what had been among the higher priced vehicles in the class and based on remaining 2021 chassis pricing) to almost 40% (on what had been the least expensive vehicle in the class).

The resulting increases range (again, within the 350 EL version) from a low value of just under \$7,000 to almost \$21,000 (both clearly outliers), with an average of about \$15,600. The pricing range (with the exception of the dealer offering to exhaust 2021 chassis stock) would shift to about a \$6,000 range. While this is a significant range, the pricing appears fair and reasonable under current market conditions. Requested increases for optional equipment were generally consistent with the established base model costs and also appear fair and reasonable. Where there were instances of inconsistency, costs were specifically confirmed.

Note that increases requested by RO Bus Sales on Fenton and Sunset products require additional analysis since updated pricing requests were delivered just before this report was issued.

5 RECOMMENDATION

While the requested increases are quite large and quite divergent, the Dealer costs are reasonably supported. We have worked with the individual Dealers to eliminate multiple concerns and with OEMs to obtain at least baseline supporting data sufficient to support the Dealer information.

We cannot say with certainty that one or more OEMs is not engaging in price hedging to protect itself against future inflation, but to the extent that may be happening, it is beyond the Dealers' ability to control.

The resulting prices all appear fair and reasonable given current market conditions and purchasing agencies are well suited to determine if the premiums for more expensive vehicles are supported by differences in quality, much as they would have done in the absence of inflationary pressures and the requested cost increases.