


Date: May 25, 2022

To: Board of Directors

From: Sam Desue, Jr. 

Subject: **RESOLUTION NO. 22-05-33 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT MODIFICATION WITH SCHETKY NORTHWEST SALES, INC. FOR THE PURCHASE OF REPLACEMENT VEHICLES FOR THE PROVISION OF LIFT SERVICE**

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a contract modification (Modification) with Schetky Northwest Sales, Inc. (Schetky) for the purchase of replacement vehicles for TriMet’s LIFT Service.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Type of Contract Procurement

- Low Bid / Invitation to Bid (ITB)
- Request for Proposals (RFP) (inc. CM/GC)
- Request for Qualifications (RFQ) (Personal Services)
- Other (inc. sole source): State Price Agreement (Piggyback)

4. Reason for Board Action

Board authorization is required to increase the overall contract amount to more than what the Board previously authorized.

5. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

6. Background

TriMet's current fleet for delivery of LIFT paratransit service consists of 268 lift-equipped mini-buses, which require regular replacement. TriMet's goal is to replace LIFT vehicles after ten years and approximately 232,000 miles. Regular maintenance and care allows TriMet to retain its LIFT vehicles for longer than the standard transit industry practice of replacing paratransit vehicles after six to eight years. Notwithstanding LIFT paratransit service’s high standard of maintenance and care, TriMet now anticipates that LIFT will need to replace 84 of its current fleet within the near future.

On March 24, 2018, via Resolution No. 18-03-29, the Board authorized the General Manager to execute a contract in the amount of \$9,072,187 with Schetky for the purchase of 124 LIFT vehicles over the course of three years, for vehicle replacement and LIFT service expansion. The contract was procured pursuant to a competitively bid State of Oregon Price Agreement (#9463) that allowed TriMet to the lowest price offered by the vendor for the vehicles. With \$6,368,013 of the available funds, TriMet successfully utilized the Price Agreement to purchase 30 vehicles in FY2018 and 47 vehicles in FY2019, but was unable to purchase the remaining 42 vehicles in FY2020 due to the Covid-19 pandemic.

Now, instead of the 42 replacement LIFT vehicles that are subject to Resolution No. 18-03-14, TriMet anticipates it will need 84 replacement LIFT vehicles. The pandemic and world-wide supply chain issues have caused the price of most vehicles to increase significantly, and there is an expectation that vehicle prices will continue to increase over the next several years. Since 2018, the price of these LIFT vehicles (which are manufactured for Schetky by Ford Motor Company) has more than doubled, from approximately \$80,000 each to \$170,000 each. Because TriMet will need to purchase 84 replacement vehicles soon, and because the State of Oregon's competitively bid Price Agreement for the original Schetky vehicle purchase will expire on October 23, 2022, it is prudent for TriMet to place any anticipated additional orders now to lock in pricing.

Therefore, this Resolution requests Board authorization of the purchase of an additional 84 LIFT vehicles and the Modification of the Schetky contract, increasing it by \$14,303,541, for a new total contract amount of \$20,671,554.

7. Description of Procurement Process

The contract is a State of Oregon Price Agreement (#9463) which permits TriMet to piggyback and leverage favorable contract pricing and terms. The Price Agreement guarantees that the pricing submitted to the State is the lowest price offered by the vendor, and leverages the collective volume of vehicle purchases from several other governmental agencies.

8. Diversity

Schetky's workforce consists of 68 employees, of whom 12% are female and 27% are minorities. Schetky is self-performing the contract and there are no subcontracting opportunities.

9. Financial/Budget Impact

The contract is part of the Capital Programs budget within TriMet's Adopted Budget. Funding for the contract is from Statewide Transportation Improvement Fund (STIF) grants, TriMet bond funds and federal funds. The federally-funded portion of the contract is administered by the Oregon Department of Transportation, Public Transit Division.

10. Impact if Not Approved

Regular replacement of LIFT vehicles is required for TriMet to provide reliable LIFT service. Failure to take advantage of the expiring State of Oregon Pricing Agreement would require TriMet to perform its own solicitation for these LIFT vehicles, which would duplicate the solicitation process conducted by the State of Oregon and likely result in higher pricing.

RESOLUTION NO. 22-05-33

**RESOLUTION NO. 22-05-33 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT MODIFICATION WITH SCHETKY NORTHWEST SALES, INC.
FOR THE PURCHASE OF REPLACEMENT VEHICLES FOR THE PROVISION
OF LIFT SERVICE**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract modification (Modification) with Schetky Northwest Sales, Inc. (Schetky) for the purchase of replacement vehicles for LIFT Service; and

WHEREAS, by Resolution dated October 25, 2017, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to authorize goods and services contracts obligating TriMet to pay in excess of \$1,000,000; and

WHEREAS, the total amount of the Modification exceeds the amount previously authorized by the Board;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Modification shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the Modification in the amount of not more than \$14,303,541, increasing the total authorized contract amount to \$20,671,554, through the October 23, 2022 termination date of the contract.

Dated: May 25, 2022



Presiding Officer

Attest:



Recording Secretary

Approved as to Legal Sufficiency:



Legal Department