Why We Chose Cooperative Procurements for Transit

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Public Transportation Vehicles in Washington

* 2017 Data
* Includes non-profit agency fleets
WSDOT Grants/Funding to Purchase Public Transportation Vehicles in Washington

- Federal Transit Authority (FTA) grants
- State grants (Regional Mobility, Rural Mobility, Special Needs)
- FTA discretionary grants
  - 5339(b) Bus and Bus Facilities
  - 5339(c) Low or No Emission Vehicles
- NEW SOURCE: Volkswagen Settlement

*Since 2016, nearly 70 percent of the buses WSDOT awarded to grantees have been alternative-fuel vehicles.
So you want to buy a bus...

**Complex FTA Requirements**

- Full and open competition
- Bus testing
- Buy America
- No geographic preferences
- Suspension/Debarment
- Responsible contractors
- 5-year limit on contracts
- All applicable FTA clauses
Cooperative Procurement Contracts

Expanded opportunity through 2017 FAST Act Section 3019

• Allows for contract between a State government or eligible nonprofit with one or more vendors that agree to sell to multiple parties, including out of state parties

• Contract term up to 5 years, initial term varies with an option to extend up to the allowable 5 years

• Contracting agency can charge no more than 1% for contract administration
Procurement Process In Washington State

1. State works with stakeholders (purchasers) to develop requirements
   - Vehicle types (categories), technical specifications, and evaluation
   - Minimum quantities
2. State drafts and issues Request for Proposals (RFP)
3. Vendors submit proposals (vehicle types, available options, pricing)
4. State contracts with highest scoring responsive/responsible bidders
5. Government agencies and eligible non-profits order vehicles and equipment directly off contract at pre-negotiated price
Benefits of Cooperative Contract

*Public Transportation Provider’s Perspective*

- Satisfies competitive procurement requirements - state/federal law
- Provides pricing and scheduling certainty - assists with planning and budgeting
- Allows for “best value” purchasing
  - Customers can consider fleet uniformity, availability of parts, reliability, maintenance training, etc.
- Encourages vendors to provide good post-delivery service/maintain “good standing” with contracting agency
Doing A Cooperative Procurement and The Future It Presents

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Establish Master Contract Usage Agreement (MCUA)

MCUA is a one-time agreement needed to meet statutory requirements allowing qualifying organizations to use Washington State master contracts.

State = State of Washington

HOW TO PURCHASE OFF DES CONTRACT?

WHO CAN SIGN AN MCUA?

• State Agencies
• State Boards
• State Commissions
• Higher Education Institutions
• Offices of Separate Elected Officials
• Local Government Agencies
• Federal Agencies
• Washington State Tribal Entities
• Public Benefit Non-profit (PBNP)
Current Master Contracts

• 09214 Heavy Duty Buses:
  • Term: July 24, 2015 to July 24, 2020
  • 828 out of 960 options
  • $1,000 management fee
  • Purchasers: MCUA Parties, ORCPP, other non-Washington entities upon authorization by DES

• 04115 Light and Medium Duty Buses:
  • Term: July 11, 2016 to July 10, 2021
  • 636 out of 1725 options
  • 0.74% per vehicle management fee
  • Purchasers: MCUA Parties, ORCPP, other non-Washington entities upon authorization by DES

• 01617 ADA Vans, Minivans, and Specialty Vehicles
  • Term: June 30, 2017 to June 30, 2022
  • 1.0% per vehicle management fee
  • Purchasers: MCUA parties (Federal entities, Multiple States, ORCPP, and other-state usage)
For all vehicles, issue the purchase order (PO) to the vendor, including DES letter authorizing use of the state contract.

Submit 09214/04115: Submit purchasing authorization request to DES, including the quote and floor plan from the vendor.

01617: Place the order through CARS system.

Quote 09214/04115: Contact the Vendor to get a quote and floorplan.

01617: Generate a quote through the CARS system (online ordering system).

Authorization Washington Entities: Master Contract Usage Agreement (MCUA) Other State Entities: ??? MCUA
Challenges with Current Contracts/Process

• Using contracts in place before FAST Act Sec. 3019
  • Eligible Purchaser definition

• Approval process for out of state entities

• Purchasing information from out of state entities

• Multiple contracts for the same customers

• Approval process differs from all other contracts
New Transit Bus Contract

• Developed as a State Cooperative Purchasing Contract
• Combined contract for heavy/medium/light duty transit buses
• Will include electric vehicles, double decker buses, parts, rebuilt buses, and refurbishment/repowering services
• Scheduled to be executed by August, 2019
New Process for Orders

Eligible Purchaser Authorization

- In State: Master Contract Usage Agreement
- Out of State: Cooperative Agreement

Quote

- Call with awarded Contractor to develop price quote
- Request for Quote from online ordering system (CARS)

Submit

- Purchaser and Vendor clarify quote and options. Final quote uploaded by Contractor to ordering system

Approval

- System generates notice to DES for approval of purchase within scope
- System generates notice to State Department of Transportation for approval of FTA Funds
Goal with New Cooperative Contract

• Meet the needs of transit agencies – offering more categories
• Provide consistent customer service – same process for all orders
• Ease administrative burden – easy to use
• Expand coverage and reduce operational costs
• Proactive intervention for contract issues
Procurement Best Practices

• Develop large stakeholder team of experts
• Proactive Communication
• Detailed Timeline/Plan
• Developed Categories
• Learn from prior contracts
Stakeholders = Team

• Subject Matter Experts
  • Procurement, Purchasing, Operations, and Maintenance
• Variety of large and small agencies for uses
• Review specifications, solicitation, and evaluators
• Specific to Cooperative: other state DOTs and procurement officials
• Large groups: separate by agency for input
Communication

• Too much is better than not enough
• Weekly updates to stakeholders
• Specific communication with subgroup
• Communication with vendors and potential bidders
• Website for visibility and future use (out of state entities)
Timeline/Plan

• Eating an elephant – one step at a time approach
• Solicitation can take 6 to 12 months depending on complexity
• Plan goals and deadlines to keep on track
• Large goals by month, smaller goals when they approach
• Published timeline sets clear expectations
Categories

• Category development based on customer needs
• Categories of solicitation grouped by vendors, uses, or goods
• Include subcategories for individual differences of products
• Each category has its own technical specifications, warranties, costs, and evaluation criteria
Lessons Learned

• Bring problems to stakeholders for expert input
• Have multiple plans for stakeholders to give input on
• Consider everything from customer, vendor, cooperative, and administrative perspectives
• Make small goals and steps for each week in developing solicitation
• Steal from other contracts!
Potential Cooperative Results

• Capacity to meet the demand of multiple states transit agencies
• Saves each transit agency time in solicitation stage
• Consistent purchasing process – online system
• Single point of contact for vendor management
• Collective action for any issues and resolution
• Allows transit agencies to focus on providing services
Questions

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Be Aware of the Procurement Challenges

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Chief of Public Transportation
Cooperative Procurement in Virginia

- Virginia DRPT has a long history of cooperative procurement of transit vehicles:
  - Currently 11 vehicle contracts: Vans, BOC’s, Transit Buses
  - Specifications developed with transit agencies and human service providers
  - Electric bus procurement is currently underway (VW mitigation trust)

- Virginia DRPT also cooperatively procures term contracts for planning, engineering, and financial consultants that are open and available to recipients of state funding

- Virginia DRPT has also cooperatively procured technology and has an open statewide contract for driver assistance technology
Challenges.....

• Multiple state agencies engaged in cooperative procurement process, with different roles, responsibilities, and perspectives
  • Virginia Department of Rail and Public Transportation
    • Recipient of federal funds – responsible for federal compliance
    • State funds for transit
  • Virginia Department of General Services
    • Procures lots of things for agencies and political subdivisions around the Commonwealth, with state funds
  • Virginia Office of Attorney General
    • Legal advisor for all state agencies/interests
  • Virginia Department of Environmental Quality
    • Responsible for VW mitigation trust
Challenges....

• The issues around cooperative procurement are bigger than cooperative procurement

• Industry promotion of cooperative contracts with competitive advantage

• Federal compliance
  • Reviews can result from perceived issues coming out of other states using your contract – be prepared and ensure all aspects of your contract are in compliance with ALL federal provisions
  • Different FTA regions make different rulings on eligibility – Region 7 said our contract was in compliance, while Region 3 deemed the contract out of compliance
Best Practices/Considerations

• Establish clear roles, responsibility, and lines of accountability with all partners in procurement
  • Ensure all partners understand risks of non-compliance
• Ensure that procurement and contract language is above reproach – check, double check, and check again
• Establish **clear** process and expectations around use of the contract by parties outside of your state
  • Virginia’s contract provided for admin costs, but the process established by DGS was so cumbersome on their staff that it did not cover agency costs – and none of that is returned to DRPT – new contracts will place that burden on the vendor/out-of-state agencies
Path Forward for Virginia

• Virginia will continue to issue cooperative procurements for vehicles, consultant services, and is looking to expand into technology and integrated mobility concepts.

• Virginia’s most recent SMR was completed in 2017 with no procurement findings, however we are anticipating a different conversation in 2020 – already engaging our partner agencies in the compliance conversation.