



**AGENDA**

**Meeting**

of the

**BOARD OF DIRECTORS**

of the

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**

A Public Agency

**September 16, 2014**

**8:30 AM**

**Santa Barbara MTD Auditorium**

550 Olive Street, Santa Barbara, CA 93101

**1. CALL TO ORDER**

**2. ROLL CALL OF THE BOARD OF DIRECTORS**

Dave Davis, Chair; Chuck McQuary, Vice Chair; Olivia Rodriguez, Secretary; Dick Weinberg, Director; Bill Shelor, Director; David Tabor, Director, Roger Aceves, Director

**3. REPORT REGARDING POSTING OF AGENDA**

**CONSENT CALENDAR**

**4. APPROVAL OF PRIOR MINUTES-(ATTACHMENT-ACTION MAY BE TAKEN)**

The Board will be asked to waive the reading of and approve the draft minutes for the meeting of September 2, 2014.

**5. CASH REPORT-(ATTACHMENTS-ACTION MAY BE TAKEN)**

The Board will be asked to review the cash report for the period of August 26, 2014 through September 8, 2014.

**THIS CONCLUDES THE CONSENT CALENDAR**

**6. PUBLIC COMMENT**

Members of the public may address the Board on items within jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, please complete and deliver to the MTD Board Clerk, a "Request to Speak" form including a description of the subject you wish to address. Additional public comment will be allowed during each agenda item, including closed session items. Please fill out the Request to Speak form and indicate the agenda item number that you wish to comment on.

**7. AUTHORIZATION OF LFP BATTERY CONTRACT AWARD- ( ATTACHMENT- ACTION MAY BE TAKEN)**

Staff recommends that the Board authorize the Interim General Manager to execute a contract with CALB USA, Inc. for the acquisition of two vehicle sets of lithium iron phosphate (LFP) batteries and the option for four more vehicle sets for a total maximum price of \$267,396.16.

**8. AUTHORIZE THE INTERIM GENERAL MANAGER TO EXTEND THE EXISTING DIESEL FUEL SUPPLY CONTRACT WITH IPC (USA), INC.- (ACTION MAY BE TAKEN)**

Staff recommends that the Board of Directors authorize the Interim General Manager to exercise option months available under the existing agreement with mutual consent of the fuel supplier at a cost per gallon not to exceed the budgeted amount of \$3.10 per gallon for fiscal year 2014-15.

**9. INTERIM GENERAL MANAGER'S REPORT**

- a) SB City Council/Planning Commission work session
- b) California Cap-and-Trade
- c) Draft Environmental Impact Report (DEIR)
- d) SBCAG Technical Transportation Advisory Committee (TTAC)

**10. OTHER BUSINESS AND COMMITTEE REPORTS-(ACTION MAY BE TAKEN)**

The Board will report on other related public transit issues and committee meetings.

***RELATED TO EACH CLOSED SESSION; PUBLIC COMMENT WILL BE ALLOWED RELATED TO THE CLOSED SESSION ITEM(S) BEFORE THE RECESS***

**11. RECESS TO CLOSED SESSION- PUBLIC EMPLOYEE APPOINTMENT- (ACTION MAY BE TAKEN)**

The Board will meet in closed session pursuant to Government Code Section 54957  
Title: General Manager

**12. ADJOURNMENT**

**AMERICAN WITH DISABILITIES ACT:** If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



**MINUTES**

**Meeting**

of the

**BOARD OF DIRECTORS**

of the

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**

A Public Agency

**September 2, 2014**

**8:30 AM**

**Santa Barbara MTD Auditorium**

550 Olive Street, Santa Barbara, CA 93101

**1. CALL TO ORDER**

Chair Davis called the meeting to order at 8:30 a.m.

**2. ROLL CALL OF THE BOARD OF DIRECTORS**

Chair Davis reported that all members were present with the exception of Director Weinberg.

**3. REPORT REGARDING POSTING OF AGENDA**

Natasha Garduno, Executive Assistant, reported that the agenda was posted on Friday, August 29, 2014 at MTD's Administrative Office, mailed and emailed to those on the board packet list, and posted on MTD's website.

**CONSENT CALENDAR**

**4. & 5. APPROVAL OF PRIOR MINUTES AND CASH REPORT (ATTACHMENT- ACTION MAY BE TAKEN)**

Director McQuary moved to waive the reading of and approve the draft minutes for the meeting of August 19, 2014, and the cash report for the period of August 12, 2014 through August 25, 2014. Director Tabor seconded the motion. The motion passed unanimously.

**THIS CONCLUDES THE CONSENT CALENDAR**

**6. PUBLIC COMMENT**

None was made.

**7. AUTHORIZATION TO PURCHASE 5 GILLIG 40' DIESEL BUSES- (ACTION MAY BE TAKEN)**

Staff recommended that the Board authorize the General Manager to:

- Purchase five (5) clean-diesel low-floor transit buses using options from the contract between the Port Authority of Allegheny County, Pennsylvania, and Gillig LLC;
- Immediately issue a purchase order to Gillig in the amount of \$1,239,465 for three of the buses; and,
- Subject to the FTA and Caltrans approval of the pending Section 5339 grant that is partially funding the final two buses; issue a purchase order to Gillig in an amount not to exceed \$850,000 for the remaining two buses.

After a brief discussion Director McQuary moved to approve staff's recommendations. Director Tabor seconded the motion. The motion passed unanimously.

- 8. GOLETA VALLEY COMMUNITY PLAN- (ATTACHMENT- ACTION MAY BE TAKEN)**  
The Board received an update by staff on the Draft Environmental Impact Report (DEIR) for the Goleta Valley Community Plan (GVCP) and reviewed a draft letter to the County Board of Supervisors. After a brief discussion, Director Aceves requested that staff elaborate more in the letter on what transit oriented development is and why it is so important. Director Aceves then moved to approve sending the letter. Director Rodriguez seconded the motion. The motion passed with 5 ayes and 1 nay.
- 9. APPROVE TRANSFERRING RESPONSIBILITY FOR FINANCIAL SERVICE AGREEMENTS FROM FORMER GENERAL MANAGER TO INTERIM GENERAL MANAGER (UNION BANK PUBLIC ENTITY RESOLUTION) - (ATTACHMENT-ACTION MAY BE TAKEN)**  
Staff made a recommendation that the Board approve a Resolution authorizing the Interim General Manager as the primary designated official for MTD as it pertains to banking issues with Union Bank. After a brief discussion Director Aceves moved to table this agenda item to a future meeting. Director Tabor seconded the motion. The motion passed unanimously.
- 10. INTERIM GENERAL MANAGER'S REPORT**  
Interim General Manager Jerry Estrada, Planning Manager George Amoon, and Assistant Planning Manager Paul Tumbleson updated the Board on the service changes that went into effect on Monday, August 25<sup>th</sup>. Mr. Estrada stated that many of the service changes that were made were due to schedule adherence issues. Mr. Amoon shared with the Board that so far things have been looking good while planning staff has been out in the field monitoring some of the changes. He also informed the Board that staff will bring an item to the Board on September 30<sup>th</sup> that will include initial feedback regarding the service changes.
- Mr. Estrada congratulated the Operations and Maintenance departments on a successful Annual Inspection by the California Highway Patrol (CHP). MTD received a satisfactory rating, which is the highest rating given by the CHP. Mr. Estrada stated that these two departments put in a lot of time and effort into preparing for this and they did a great job
- 11. OTHER BUSINESS AND COMMITTEE REPORTS-(ACTION MAY BE TAKEN)**  
Vice Chair McQuary reported to the Board that the Development Committee had recently met with staff to discuss the ridership reports. At this time the Board requested to schedule another Development Committee meeting to be held before the October 14<sup>th</sup> Board meeting.

***RELATED TO EACH CLOSED SESSION; PUBLIC COMMENT WILL BE ALLOWED RELATED TO THE CLOSED SESSION ITEM(S) BEFORE THE RECESS***

- 12. RECESS TO CLOSED SESSION- PUBLIC EMPLOYEE APPOINTMENT- (ACTION MAY BE TAKEN)**  
The Board met in closed session pursuant to Government Code Section 54957  
Title: General Manager
- Upon returning to closed session Chair Davis reported that in appointing Jerry Estrada Interim General Manager the Board has authorized a 10% salary increase retroactive to July 19, 2014 and with no other change in benefits at this time.
- 13. ADJOURNMENT**  
Director McQuary moved to adjourn the meeting at 10:20 a.m. Director Rodriguez seconded the motion. The motion passed unanimously.

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**Santa Barbara Metropolitan Transit District**  
**Cash Report**  
**Board Meeting of September 16, 2014**  
**For the Period August 26, 2014 through September 8, 2014**

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**MONEY MARKET**

**Beginning Balance August 26, 2014** **\$10,438,533.44**

SB-325 (LTF)	644,317.27
Accounts Receivable	228,049.75
Passenger Fares	176,215.00
Advertising/Prepaid Deposi	790.00
Miscellaneous/Asset Sales	568.91
Measure "A"	<u>(179,286.85)</u>
<b>Total Deposits</b>	<b>870,654.08</b>

WC Reimbursed	10,487.19
ACH Garn/Escrow	(1,359.73)
ACH Pensions Transfer	(40,841.61)
ACH Tax Deposit	(131,840.40)
Payroll Transfer	(298,088.13)
Operations Transfer	<u>(391,955.99)</u>
<b>Total Disbursements</b>	<b>(853,598.67)</b>

**Ending Balance** **\$10,455,588.85**

**CASH INVESTMENTS**

LAIF Account	\$3,331,693.59
Money Market Account	<u>10,455,588.85</u>

**Total Cash Balance** **\$13,787,282.44**

**SELF INSURED LIABILITY ACCOUNTS**

WC / Liability Reserves	(\$2,128,143.73)
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**Working Capital** **\$11,659,138.71**

**Santa Barbara Metropolitan Transit District  
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
107499	8/27/2014	ABC BUS COMPANIES INC	BUS PARTS	236.62	
107500	8/27/2014	ACCONTEMPS DBA	CONTRACT EMPLOYMENT	1,434.00	
107501	8/27/2014	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	565.59	
107502	8/27/2014	BOONE PRINTING AND GRAPHICS,	PRINTING SERVICES	952.70	
107503	8/27/2014	CAPITOL HARDWARE & BUILDING	B&G SUPPLIES	501.12	
107504	8/27/2014	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	117.16	
107505	8/27/2014	CENTRAL CITY ABS, INC.	BUS SUPPLIES	37.39	
107506	8/27/2014	COMPRESSED AIR OF CALIFORNIA	BUS PARTS	579.98	
107507	8/27/2014	COAST TRUCK PARTS	BUS PARTS	1,320.36	
107508	8/27/2014	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	98.00	
107509	8/27/2014	CUMMINS PACIFIC, LLC	BUS PARTS & REPAIRS	13,030.72	
107510	8/27/2014	DCM GRAPHICS DBA	BUS STOP SUPPLIES	263.97	
107511	8/27/2014	DIESEL MARINE ELECTRIC, INC.	BUS PARTS	197.49	
107512	8/27/2014	DOWNTOWN ORGANIZATION, INC	TC MAINTENANCE	450.00	
107513	8/27/2014	4ONE LLC	BUS PARTS	1,536.30	
107514	8/27/2014	GIBBS INTERNATIONAL INC	BUS PARTS	2,403.67	
107515	8/27/2014	GILLIG LLC	BUS PARTS	4,180.38	
107516	8/27/2014	GOODYEAR TIRE & RUBBER CO	LEASED TIRES	10,409.85	
107517	8/27/2014	GRAINGER, INC.	SHOP/B&G SUPPLIES	74.12	
107518	8/27/2014	H.G. MAKELIM CO., INC.	BUS PARTS	2,977.79	
107519	8/27/2014	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	178.09	
107520	8/27/2014	INTERCON TECHNOLOGIES DBA	BUS REPAIRS	620.00	
107521	8/27/2014	INTERSTATE BATTERY OF SIERRA	EV ACCESSORY BATTERIES	490.21	
107522	8/27/2014	IPC (USA), INC.	BUS FUEL	24,572.11	
107523	8/27/2014	JERRY'S PLUMBING & HEATING, I	PLUMBING	75.00	
107524	8/27/2014	J n L GLASS INC.	B/G REPAIRS	790.00	
107525	8/27/2014	KIRKS AUTOMOTIVE, INC	BUS PARTS	1,351.89	
107526	8/27/2014	LANSPEED DBA	SOFTWARE SUPPORT	390.00	
107527	8/27/2014	LARA'S AUTO REPAIR DBA	BUS REPAIRS	45.00	
107528	8/27/2014	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	2,188.11	
107529	8/27/2014	MCGOWAN GUNTERMANN	ANNUAL AUDIT	7,240.24	
107530	8/27/2014	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	205.14	
107531	8/27/2014	MCI SERVICE PARTS, INC.	BUS PARTS	9.07	
107532	8/27/2014	NEWARK ELECTRONICS, CORP.	BUS PARTS	281.13	
107533	8/27/2014	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	256.63	
107534	8/27/2014	PERFECT PATTERN DIFFERENTIAL	OVERHAULED TRANSFERS	767.62	
107535	8/27/2014	PORT SUPPLY DBA	SHOP SUPPLIES	97.38	
107536	8/27/2014	POWERSTRIDE BATTERY CO.	EV BATTERIES	624.78	

Check #	Date	Company	Description	Amount	Voids
107537	8/27/2014	PRAXAIR DISTRIBUTION, INC.	SHOP SUPPLIES	123.47	
107538	8/27/2014	SM TIRE, CORP.	BUS TIRE MOUNTING	1,258.97	
107539	8/27/2014	STAPLES INC. & SUBSIDIARIES	OFFICE SUPPLIES	3.61	
107540	8/27/2014	SB CITY OF-REFUSE/WATER	UTILITIES	838.84	
107541	8/27/2014	TIERRA CONTRACTING, INC.	BUS SHELTERS REPAIRS	7,077.36	
107542	8/27/2014	TNT USA INC.	LITHIUM BATTERY PROJECT	144.11	
107543	8/27/2014	UNITED RENTALS NORTHWEST, I	SHOP EQUIPMENT	858.27	
107544	8/27/2014	VALLEY POWER SYSTEMS, INC.	BUS PARTS	3,258.86	
107545	8/27/2014	VERIZON CALIFORNIA	TELEPHONES	724.21	
107546	8/27/2014	VERIZON WIRELESS	WIRELESS PHONES	836.78	
107547	8/27/2014	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	416.63	
107548	8/27/2014	WILSON PRINTING INC.	PRINTING SERVICES	75.33	
107549	8/27/2014	WURTH USA WEST INC.	SHOP SUPPLIES	511.78	
107550	8/27/2014	YELLOW (YRC) TRANSPORTATIO	FREIGHT CHARGES	145.00	
107551	9/5/2014	MARY DEAIL	PAYROLL RELATED	106.15	
107552	9/5/2014	DELTA DENTAL OF CALIFORNIA	DENTAL INSURANCE	9,216.90	
107553	9/5/2014	DELTA DENTAL INSURANCE COM	DENTAL INSURANCE	2,316.80	
107554	9/5/2014	STATE OF CALIFORNIA/FTB	PAYROLL RELATED	178.55	
107555	9/5/2014	MOUNTAIN SPRING WATER	SHOP & OFFICE SUPPLIES	1,161.55	
107556	9/5/2014	NATIONAL INTERSTATE INS INC.	LIABILITY INSURANCE	27,436.66	
107557	9/5/2014	OR DEPT OF JUSTICE	PAYROLL RELATED	145.11	
107558	9/5/2014	ANN BRADY OTTIERI	PAYROLL RELATED	277.00	
107559	9/5/2014	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	1,060.00	
107560	9/5/2014	KAREN SEELEY	PAYROLL RELATED	75.69	
107561	9/5/2014	THAIS SAYAT	TRAVEL PER DIEM	120.00	
107562	9/5/2014	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	50.00	
107563	9/5/2014	SO. CAL. EDISON CO.	UTILITIES	9,240.86	
107564	9/5/2014	SB CITY OF-REFUSE/WATER	UTILITIES	3,891.66	
107565	9/5/2014	TEAMSTERS MISC SECURITY TRU	UNION MEDICAL/DENTAL	148,675.00	
107566	9/5/2014	TEAMSTERS PENSION TRUST	UNION PENSION	90,018.54	
107567	9/5/2014	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	162.69	
				<b>391,955.99</b>	
				<b>Current Cash Report Voided Checks:</b>	0.00
				<b>Prior Cash Report Voided Checks:</b>	0.00
				<b>Grand Total:</b>	<b>\$391,955.99</b>

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**Santa Barbara Metropolitan Transit District  
Cash Receipts of Accounts Receivable**

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<b>Date</b>	<b>Company</b>	<b>Description</b>	<b>Amount</b>
8/27/2014	UCSB - Parking Services-7001	Passes/Passports Sales	240.00
8/27/2014	UCSB - Parking Services-7001	Passes/Passports Sales	7,696.00
8/28/2014	Rental Insurance Svcs.	Insurance Claim	288.85
8/29/2014	Union Bank/Eleven Inc.	Advertising on Buses	15,580.50
9/2/2014	City of SB - Downtown Parking	City of SB My Ride - June 2014	4,118.75
9/2/2014	Cottage Hospital	Passes/Token Sales	315.00
9/4/2014	ASTI Holding Company, LLC	Overpass Property Lease - Sept. 2014	15,310.45
9/4/2014	ASTI Holding Company, LLC	Overpass Property Lease - Property Ins.	3,059.15
9/8/2014	Department of Rehabilitation	Passes/Token Sales	464.00
9/8/2014	Jim Haggerty	Retiree - Vision	12.20
9/8/2014	Measure A, Section 3 LSTI	Measure "A" Funds - August 2014	179,286.85
9/8/2014	Santa Barbara Airport	Advertising on Buses	1,678.00
<b>Total Accounts Receivable Paid During Period</b>			<b>\$228,049.75</b>

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## BOARD OF DIRECTORS REPORT

**MEETING DATE:** September 16, 2014 **AGENDA ITEM #:** 7

**TYPE:** ACTION

**PREPARED BY:** BRAD DAVIS

\_\_\_\_\_  
*Signature*

**REVIEWED BY:** GENERAL MANAGER

\_\_\_\_\_  
*Signature*

**SUBJECT: AUTHORIZATION OF LFP BATTERY CONTRACT AWARD**

### **RECOMMENDATION:**

Staff recommends that the Board authorize the General Manager to execute a contract with CALB USA, Inc. for the acquisition of two vehicle sets of lithium iron phosphate (LFP) batteries and the option for four more vehicle sets for a total maximum price of \$267,396.16.

### **DISCUSSION:**

#### ***Project Description***

The purchase of the LFP batteries would continue the ongoing replacement of the NiCad batteries in the electric shuttle fleet. The change in the battery type, previously approved by the Board and carried out on four shuttles to date, is predicated on the following factors:

- Reduction in battery cost per bus (~\$45,000 vs. ~\$100,000)
- Increase in energy density improving vehicle range by more than 40%
- Decrease in ongoing battery maintenance with no watering requirement
- Decline in overall repair maintenance as a result of greater cell reliability

#### ***Budget & Funding***

The approved capital budget for this fiscal year includes \$491,000 for the Lithium Battery Project. A portion of this budget is specifically for the six battery sets at an estimated cost of \$55,000 per set. The purchase will be funded with the TDA-STA program.

#### ***Solicitation Method***

The sealed invitation for bids solicitation method was used for the project. This represents a change from past LFP battery purchases in which the sole source method was necessary because of the lack of viable suppliers. From a review of the current market, MTD was able to ascertain three known manufacturers that could provide batteries meeting our requirements—all based in China with distributorships in the United States. Two of those three suppliers submitted bids. Two other bids were received from suppliers that proposed a custom cell manufacture to meet the size specification. Unfortunately, both of these bids were substantially more than the low bid (\$478,920 and \$1,021,273) and neither would have met other key technical requirements.

Attached is a memo from Ken Mills, MTD's procurement consultant, that reviews the solicitation process that led to the recommendation before the Board. The conclusion of that process is that CALB submitted the lowest responsive bid and is financially and technically capable of undertaking the project.

The bid received from the other viable supplier, Sinopoly Battery International, was found to be non-responsive. Although there were several issues with the Sinopoly bid (see attached Mills memo), two are of such materiality that the solicitation process necessitates its rejection. One involves not meeting the cell life requirement; the other concerns multiple errors in completing the Price Bid form. Essentially, it is impossible to determine the bid price without MTD making a number of assumptions.

It should be noted that there were two issues with the CALB bid as well. One concerned missing information on the cell life requirement that was later provided. The other involved an obvious totaling error on the Price Bid form that was not subject to interpretation.

### ***Price Analysis***

As previously indicated, the capital budget assumed a cost of \$55,000 for the outfitting of a shuttle with the LFP batteries. This estimate was based on the most recent price paid by MTD from two years ago plus an 8% contingency for possible price increases or other uncertainties. The low bid came in at \$44,595 per bus. In fact, this result carries on a steady decline in prices since MTD first entered the market in 2009. The following is a list of the CALB price and those paid by MTD for its three previous LFP battery acquisitions:

<u>Date</u>	<u>Vendor</u>	<u>\$/Bus</u>	<u>Cell Capacity</u>	<u>\$/Amp-hr</u>
Nov-09	Thunder Sky	\$52,249	350 Ah	\$1.62
Jul-11	Winston	\$47,531	350 Ah	\$1.48
Aug-12	Balqon	\$50,784	400 Ah	\$1.38
Aug-14	CALB	\$44,595	400 Ah	\$1.21

As shown by the cell capacity column, MTD switched to a larger size with the third purchase in order to use a standardized cell specification. The ampere-hour is a common means of measuring how much energy a cell holds. Thus, the last column indicates the amount MTD is paying per unit of energy storage. Of course, more onboard energy means greater vehicle range. I believe that this measure exhibits a truer picture of the decrease in lithium iron phosphate battery prices over the last five years. Based on this information and the fact that a competitive bid process was used, I find the CALB bid to be fair and reasonable.

Attachment: LFP Battery IFB Bid Review Memo from Ken Mills dated August 27, 2014

DATE: August 27, 2014  
TO: Brad Davis, SBMTD Assistant Controller  
FROM: Ken Mills, Consultant  
SUBJECT: Bid Responsiveness and Bidder Responsibility for LiFePO<sub>4</sub> Battery Cells

Background - Invitation for Bids Process

This procurement is for two sets of lithium iron phosphate (LiFePO<sub>4</sub>) battery cells and related connectors, bolts and washers to be installed by MTD in its electric vehicles. There is also an option for four more sets of both the cells and related items which can be exercised by MTD. The IFB was issued to 12 firms, one of which was a trade organization that forwarded the IFB to other potential bidders. The IFB was advertised in the *Santa Barbara News Press* and *Ventura County Star*. No pre-bid meeting was held because the specifications were considered straightforward. Two IFB addenda were issued to address questions from some potential bidders, make minor changes to the specifications and extend the bid opening to allow more time for bid submission.

Four bids were received by the bid due date and time as follows with total prices, including option items, as indicated:

CALB USA Inc.	\$267,396.16
LiFeBatt Inc.	\$478,920.00
Nova Battery Systems	\$1,021,273.44
Sinopoly Battery International	indeterminate

Bidder Responsiveness

There were problems with Sinopoly's price bid form but making certain assumptions it could be determined as being \$244,500 which would make it the low bid. For this reason, the bid was evaluated for responsiveness. The following issues were discovered as a result of this evaluation:

1. Although the required specification sheet was submitted, it clearly states the cell life cycle at 80% DOD (depth of discharge) is  $\geq 1,500$  times instead of at least 2,000 times as required in the IFB specifications.
2. The bid acknowledges receipt of Addendum 1, but not Addendum 2, and the bid is dated prior to the distribution of Addendum 2. Based on the bid, a determination could not be made that the bidder received the addendum and intended to be bound by its terms or the addendum would have no (or a negligible) effect on price, quantity, quality, or delivery as indicated in the Best Practices Procurement Manual.
3. On the Price Bid form the following caused confusion in understanding the bid:
  - a. Prices are not extended in "Extended Price" column for all items except totals.
  - b. Unit prices for items 1 and 5 appear to be extended prices.
  - c. No prices are shown required hardware or sales tax (items 2, 3, 6 and 7).
  - d. The "Total Fixed Price Amount for Items 1-8" appears to be the total for items 5-8 which, when added to the "Fixed Price Amount for Items 1-4" results in a total of all 8 items as reflected in the total listed above.
4. On the Bidder Information Form the following deficiencies were noted:
  - a. Although "Corporation" is checked, the "State of Incorporation" is left blank

b. No "Tax ID Number" is provided

5. On the References, Suppliers & Subcontractors Form no credit references are listed

As a result of the Sinopoly bid being non-responsive, I analyzed the bid of the next lowest bidder, CALB USA Inc., to determine its responsiveness with the following findings:

1. Due to a formatting issue in the Price Bid form, the bidder inserted the incorrect amount for its total bid. However, the correct total is easily determined by the totals for individual line items and the deficiency may be waived.
2. The required specification sheet was submitted, but cites cycle life at 70% DOD to be 3,000 and is silent as to cycle life at 80% DOD. The IFB specifications state the sheet should identify "all characteristics of the cells" so MTD "can determine compliance with the Technical Specifications." Whereas Sinopoly's bid clearly states a cycle life of  $\geq 1,500$  at 80% DOD and is therefore non-responsive, CALB's bid is unclear as to cycle life at 80% DOD. In the best interest of MTD and without prejudicing the integrity of the bidding process, it was determined to seek clarification from CALB as to the cycle life of its cells at 80% DOD. In an email response to my inquiry CALB confirmed its cells "make over 2,000 cycles at 80% DOD." This claim was vetted with Dale Zielinski, MTD Manager of Maintenance, who stated CALB's response was "acceptable in meeting the MTD requirements." Therefore, this issue does not make CALB's bid non-responsive.

#### Bidder Responsibility

CALB USA Inc. filed in January 2011 as a California corporation. It is located in Pomona, CA where it maintains an inventory of various battery cells. I checked the Excluded Parties List System and CALB USA is not listed as an excluded party. The Better Business Bureau in CALB's local area has no file on the firm.

I contacted CALB's bank where it has been a customer for two years and has a current account balance in the high six figures. Although two other credit references were provided, I only called the one in the U.S. and received a good report. I called three work references and received glowing reports with terms like "very responsive," "thrilled with the relationship" and "excellent." Cells are of good quality with few defects which were immediately replaced. One firm had switched from Winston cells because of much better quality and service.

CALB USA is an on-going business which has the management, financial and technical resources to meet the contract requirements and is considered to be a responsible firm.

#### Conclusion

CALB USA Inc submitted the low responsive bid and the firm has been determined as responsible.

## BOARD OF DIRECTORS REPORT

**MEETING DATE:** September 16, 2014      **AGENDA ITEM #:** 8

**TYPE:** ACTION

**PREPARED BY:** JERRY ESTRADA

**REVIEWED BY:** GENERAL MANAGER \_\_\_\_\_

*GM Signature*

**SUBJECT: AUTHORIZE THE INTERIM GENERAL MANAGER TO EXTEND THE EXISTING DIESEL FUEL SUPPLY CONTRACT WITH IPC (USA), INC.**

### **RECOMMENDATION:**

Staff recommends that the Board of Directors authorize the Interim General Manager to exercise option months available under the existing agreement with mutual consent of the fuel supplier at a cost per gallon not to exceed the budgeted amount of \$3.10 per gallon for fiscal year 2014-15.

### **BACKGROUND:**

In October of 2012, MTD awarded a contract for the delivery and supply of ultra-low sulfur diesel fuel from IPC (USA) Inc. (IPC) The contract was for one year (December 2012 through November 2013) with two twelve month options. Pricing for option months is based on the applicable heating oil futures price and IPC's monthly price differential.

In August of 2013, the Board authorized an amendment to the agreement to provide greater flexibility to MTD by allowing the General Manager to extend the agreement on a month-by-month basis, or for consecutive months, as long as the amendment did not extend beyond November 2015. Currently, MTD and IPC (USA) Inc. have exercised monthly options through December 2014 at a price of \$3.06 per gallon.

Staff has consistently monitored heating oil futures, which have recently declined, and is nearly ready to recommend action to ensure a price per gallon through the remainder of the fiscal year that does not exceed the budgeted amount per gallon.

To: MTD Board of Directors  
From: Jerry Estrada, Interim General Manager  
Date: September 12, 2014  
Subject: Interim General Manager's Report

### Planning

A joint Santa Barbara City Council/Planning Commission work session was held on September 11<sup>th</sup> that included review of the 2014 General Plan Implementation Report, a 2014 Status Update Report of the 2011 General Plan Program EIR Mitigation Monitoring, and a 2014 Status Report of the Climate Action Plan Implementation. These reports contain elements that relate to estimated transit ridership within the City, discussion about increased traffic congestion at interchanges as a result of the upcoming freeway between Carpinteria and Santa Barbara, and increasing transit frequency as funding becomes available in the future. Much of the recent service increases were a result of increasing traffic congestion causing schedule adherence issues to the extent of missed trips occurring on some major lines such as Lines 1 and 2. This in turn has likely been attributable toward declining transit ridership in recent years to a certain degree. Planning staff will be coordinating with City of Santa Barbara as well as other Public Works agency staff to monitor past, present and projected traffic levels given the significant effect it can have on schedule adherence and consequently ridership.

SBCC staff held a "brainstorming" session with City of Santa Barbara and MTD staff on August 19<sup>th</sup> to discuss future options to improve circulation in and around the campus for all modes of transportation. Staff will continue to attend upcoming meetings to provide transit information.

### Operations

Edward Pacheco, our newest Operator in Training, is proceeding along very well in his training. His DMV exam is scheduled next week, and we are confident in his ability to pass this rigorous set of tests. Edward will still be in training for a couple of more weeks; he will be driving established runs and routes with senior Operators, to fine tune his skills.

On Wednesday, September 3<sup>rd</sup>, Operations attended a Pre-construction Conference meeting at Flowers & Associates regarding the upcoming City of Santa Barbara Zone 1 Slurry Seal Project (Bid No. 3705). The purpose of this meeting was to review how the project schedule would impact MTD, along with the various dynamics of street closures and delays. Operations assured the group that our department would adjust as needed.

September 6<sup>th</sup>-7<sup>th</sup> brought the Avon Walk for Breast Cancer to the Santa Barbara area. There were no detours implemented, but a few lines were slightly delayed due to the impressive turnout of participants walking the designated route.

The September 2014 CITA (Caught in the Act of doing something Great) drawing winner is William Paredes. William received his CITA for “giving excellent customer service and being a safe driver.” William joined the MTD in August 1986 and has a 24 year safety award. Congratulations to William and keep up the good work!

### Maintenance

Gillig Bus #904 has been setting Energy Storage System (ESS) communication problem codes. In-house efforts to resolve the problem with assistance of Valley Power Systems have not been successful. A decision is pending on towing the bus to VPS for further work.

Nova Bus has now given dates of October 24, November 14, and December 5 for delivery of the three articulated buses.

Replacement of the Gillig #600 - #614 and #700 - #713 seat inserts by vendor Molina has been completed. The first article LiFePO4 cell lower battery tray has been picked up from Bay City Fab in Ventura. Initial dimension check shows two minor changes may be needed; however, this cannot be confirmed until the cells are available for the “fit” check.

The annual heat and smoke detector system testing is scheduled for early this Friday to minimize distraction to persons in the buildings. The problem with the ATS (Automatic Transfer Switch) on the EV backup generator has been resolved by a technician from Cummins Pacific with assistance from Cummins Onan.

### Administration

Staff continues to monitor developments in the allocation of California Cap-and-Trade auction proceeds. As described in the previous General Manager’s Report, it appears that Santa Barbara County may not be eligible for the 25 percent of the proceeds that are to be dedicated to projects that benefit disadvantaged communities as defined by the California Environmental Protection Agency (CalEPA). However, it is expected that MTD will be an eligible recipient of other portions of the Cap-and-Trade auction proceeds. Staff will prepare an assessment of the Cap-and-Trade auction proceeds, as it pertains to MTD, and present it to the Board in October.

Staff attended the public hearing on the Draft Environmental Impact Report (DEIR) for the Goleta Valley Community Plan (GVCP) on Wednesday, September 10. MTD’s Calle Real site is included in the GVCP. Approximately 25 persons attended the hearing, and 10 spoke in public comment. None of the speakers voiced opposition to the proposal for the MTD property. Staff also attended a meeting of the Coalition for Sustainable Transportation (COAST) on September 10<sup>th</sup>, where County staff presented an update on the DEIR.

Staff continues to work with SBCC staff on draft language for a legislative proposal regarding the current state maximum combined transportation and parking fees that can be charged to community college students.

Staff attended a meeting of SBCAG's Technical Transportation Advisory Committee (TTAC) on Thursday, September 4<sup>th</sup>. MTD is a voting member of the Committee. TTAC discussed a draft update to the California Environmental Quality Act (CEQA), as prepared by the Governor's Office of Planning and Research. The purpose for the CEQA update is to implement Senate Bill 743 (Steinberg, 2013), which requires a change in the way that CEQA evaluates transportation impacts. Under SB 743, CEQA must consider transportation impacts such as vehicle miles traveled (VMT) rather than level of service (LOS), as is commonly used today. TTAC also recommended that the SBCAG Board approve the 2015 Draft Federal Transportation Improvement Program.