

## Board of Directors

Chair – Lorraine Anderson, District L First Vice Chair – Kent Bagley, District H Second Vice Chair – Larry Hoy, District J Secretary – Bruce Daly, District N Treasurer – Jeff Walker, District D

Barbara Deadwyler, District B

Angie Rivera-Malpiede, District C

Dr. Claudia Folska, District E

Natalie Menten, District M

Bill James, District A

John Tayer, District O

Gary Lasater, District G

Paul Daniel Solano, District K

Judy Lubow, District I

Tom Tobiassen, District F

## BOARD OF DIRECTORS MEETING

January 22, 2013 at 5:30 PM

### Recommended Actions

#### Purchase of Up to 34 Mall Shuttle Buses

It is recommended that the RTD Board of Directors authorize Contract 19FK001 with **DesignLine USA** for the purchase of up to 34, 45-foot mall shuttle buses to replace the existing TransTeq mall buses at a price not to exceed **\$24,147,350**.

Chair Anderson asked for a motion to approve item C, Purchase of up to 34 mall shuttle buses that had been pulled from the unanimous consent.

**Motion:** Director James made the motion to approve the purchase of up to 34 mall shuttle buses. Director Tobiassen seconded the motion.

**Subsidiary Motion: Director Menten asked to postpone this action until November after New Jersey has had a chance to test their similar product and allow more time for Board review.**

Director Solano seconded this motion.

**Discussion: Director Menten passed out handouts from research she had done on the design-line bus. Her research indicated concerns with quality, financial stability of the vendor and the fact that two other transit agencies had a bad experience with this vendor. She also raised issues pertaining to why DreamLine was selected over a Colorado company.**

Director Lubow expressed concern and asked if staff was aware of these legal and technical issues with DreamLine and the product.

Bruce Abel, Assistant General Manager for Bus Operations and Dean Shaklee, superintendent of maintenance, responded to these questions and allegations. RTD is very aware of these issues and the problem has been corrected. We have currently had 2 prototype design-line vehicles on the mall and have experienced no problems. In fact, this vehicle has proven more reliable than other prototypes.

RTD has done our due diligence on this product. The type of product being used in New Jersey is an over-the-road model and is different from the mall shuttle model that we are purchasing. AGM Abel also indicated that when we had issued RFP for the busses, our finance department had reviewed the financial records of the vendor. RTD has had a positive experience with the vendor on the two prototypes in use and has noticed a decrease in cost per mile. We have negotiated several modifications to the buses and the vendor has been responsive.

Director Solano inquired about the battery fires and how does this differ. Dean Shaklee indicated this is the same type battery just as what is used in a number of different devices and applications. The issue of fire was in the overcharging of the batteries. Dean also noted that the transit manufacturer for our current buses is no longer in business and the propulsion system is obsolete. The current buses are over 12 years, have exceeded their useful life and parts are not available. The RTD maintenance shop is performing their own maintenance and has "created" parts on which to operate. Very soon they will be unable to do this. Bruce Abel indicated that before the complete purchase would be made, after the initial bus, it will be run through strenuous testing at the Altunna plant. Dean Shaklee indicated that the Altunna testing is required by the FTA.

Director Lubow stated there are several red flags about this company. They have a pretty bad track record and she does not feel RTD did due diligence in not sharing this information with them. Bruce Abel indicated that much of this had already been discussed prior to the new Board members coming on board and apologized for not providing this information.

Director Lasater echoed the concern that this information was not shared and asked when did TransTech (maker of current buses) go down. Dean Shaklee responded about 18 months ago. RTD acquired all the inventory that we could.

Director Solano wanted to know how extensive was our inventory and did we have enough inventory to maintain the buses. Dean Shaklee responded not really and we are already out of some parts. Bruce Abel re-stated these vehicles have exceeded the recommended state of good repair and we need to plan accordingly.

Director Folska inquired if the bidder from outside of US met requirements for Buy America. She also asked if we execute a contract, how long before the vehicle will be on the street. Dean Shaklee responded the vehicle would go through the Altunna testing in May or June and delivery could be late this year or early next year. Director Lubow stressed a potential liability with this new bus and asked if it was possible to order only a few. AGM Abel indicated the cost was determined by the CPI index and an increase in the CPI will drive an increase in the cost.

**Vote on Subsidiary Motion - Director Menten asked to postpone this action until November after New Jersey has had a chance to test their similar product and allow more time for Board review.**

**(To Postpone): The amendment failed with 2 in favor (Menten and Solano) and 12 against (Anderson, Bagley, Daly, Deadwyler, Folska, Hoy, Lasater, James, Lubow, Rivera-Malpiede, Tobiassen, and Walker)**

Chair Anderson declared the amendment FAILED and called for a vote on the primary motion.

Vote on Primary Motion: The vote on the motion to approve the purchase of up to 34 mall shuttle buses.

MOVER: Bill James, Director, District A

SECONDER: Tom Tobiassen, Director, District F

AYES: Anderson, Bagley, Daly, Deadwyler, Folska, Hoy, James, Lasater, Lubow, Rivera-Malpiee, Tobiassen, Walker

**NAYS: Natalie Menten, Paul Solano**

ABSENT: John Tayer

Chair Anderson declared the Motion PASSED 2 opposed (Menten and Solano).

**Natalie's EDITOR Note: DesignLine filed for bankruptcy several months later which created long delays in buying the mall shuttle buses and additional costs due to the litigation.**