



**Anaheim Transportation Network
Board of Directors**

Special Meeting

**Meeting Minutes
Friday June 13, 2014
3:30 P.M.**

**Anabella Hotel
Azalea Conference Room
1030 West Katella Ave.
Anaheim, CA 92802**

ATN Board Members in Attendance:

Jerry Alder, Anaheim Gardenwalk
Sergio Bocci, Hilton Anaheim
Fred Brown, Desert Palms Hotel & Suites
Tony Bruno, Sheraton Park
Jay Burress, AOCVCB
Cesar Cazares, Anaheim Marriott
Ron Kim, Prospera
Bill O'Connell, Stovall Hotels
Kyndell Paine, Disneyland Resort

ATN Staff Present:

Diana Kotler, ATN
Barbara Adams, ATN

ATN Legal Counsel:

Fred Whitaker, Cummins & White, LLP

Ex-Officio Members:

Robert Johnson, MV Transportation

ATN Members Present:

None

Members of the Public Present:

James Ferris, Penske
Mike Lewis, Penske

CALL TO ORDER SPECIAL MEETING - ATN BOARD OF DIRECTORS

The ATN Board of Directors Special Meeting was called to order at 3:35 pm.



ADDITIONS/DELETIONS TO THE AGENDA

None

PUBLIC COMMENTS

None

ACTION ITEM:

1. Approve staff recommendation for award of a maintenance services agreement for 35 LNG buses to Penske Truck Leasing Company LP (Penske), in response to RFP#2014-005. Authorize Executive Director to execute agreement with Penske and commence maintenance activities.

ATN staff presented information, for the ATN Board of Directors, approval concerning contract award to Penske for maintenance of 35 Liquefied Natural Gas (LNG) buses. T

The ATN is slated to assume this fleet of buses, including all maintenance responsibilities, on July 7, 2014. To select the best qualified service provider, the ATN issued RFP #2014-005 – ART Maintenance Services for 35 Low-Floor LNG Transit Buses in January 2014. In response to RFP #2014-005, the ATN received two (2) proposals: 1) Penske Truck Leasing Company LP (Penske); and Vonic Fleet Services, Inc.

Upon review of the submitted proposals, staff recommends to award a maintenance agreement for three (3) years, with two (2) one-year options, to Penske, as the best qualified service, and lowest cost provider. Comparison of the cost proposals was presented to the ATN Board of Directors with the recommendation to award a maintenance agreement to the lowest qualified proposer, i.e. Penske.

TABLE #1 – COST COMPARISON

	PENSKE	VONIC
Monthly Preventive Maintenance Cost per Bus	\$450	\$2,000
Hourly Maintenance Billing Rate	\$92.00	\$105.00
Discount on Parts and Components	10%	25%
Road Call Assistance	Not to Exceed \$200 per call	\$110.00/hr



The comparison of the proposed cost of maintenance services was conducted based on three (3) categories provided in Table #2, as well as the comparison of the current maintenance costs under contract with OCTA:

1. Fixed Monthly Preventive Costs;
2. Variable Cost for Components Repair; and
3. Cost of Parts and Components.

TABLE 2 – ESTIMATED LNG FLEET MAINTENANCE COSTS

	COST PER UNIT	MONTHLY COST	PROJECTED ANNUAL COST
Fixed Monthly Preventive Maintenance Costs	\$450.00/bus	\$15,750	\$189,000
Hourly Labor Rate Components Repair <i>(55 Hours per Month)</i>	\$92/hr	\$5,000	\$60,000
Parts & Components <i>(Based on Current Avg. Monthly Cost)</i>	10%	\$16,000	\$192,000
Total Estimated Annual Value of Penske Agreement			\$441,000
Additional Maintenance Related Cost			
Tire Lease Program - Michelin		\$4,666	\$56,000
ATN Utility Personnel <i>Including 30% Burden Rate (Fueling & Washing)</i>	\$14.30/hr (6 FTE positions)	\$13,728	\$164,736
ATN Utility Personnel <i>Including 30% Burden Rate (Maintenance Technicians)</i>	\$26.00/hr (2.5 FTE positions)	\$10,400	\$124,800
ATN Maintenance Staff_ Liaison & Quality Control	\$32.50/hr (1 position)	\$5,200	\$62,400
Total Maintenance Cost for 35 LNG Bus Fleet		\$70,805	\$849,660
Budgeted Maintenance Cost for 35 LNG Bus Flee		\$79,800	\$957,550
Set-Aside for Unanticipated Costs		\$8,900	\$106,800 (12.5%)
Current ATN Maintenance Cost for LNG Bus Fleet			\$1,450,000
Projected Annual Savings <i>(Passed on to partners)</i>			\$492,459



The overall objective for the assumption of the maintenance program for 35 LNG buses is to reduce maintenance costs and to gain more control of the expenditures associated with the provision of these maintenance services.

By Motion, Bruno / Bocci, approve staff recommendation for award of a maintenance services agreement for 35 LNG buses to Penske Truck Leasing Company LP (Penske), in response to RFP#2014-005. Authorize Executive Director to execute agreement with Penske and commence maintenance activities.

Ayes: Alder, Bocci, Brown, Bruno, Burress, Cazares, Kim, O'Connell, Paine

Noes: None

ATN staff also made an announcement that Regular ATN Board of Directors meeting scheduled for June 25, 2014, will be cancelled due to lack of the quorum. Notices of meeting cancelation will be sent out the following week.

Adjourn ATN Board of Directors Special Meeting at 3:45 pm