

Guidelines for Rolling Stock Contract Specifications

Purpose: To provide guidance regarding modifying or changing specifications when purchasing rolling stock. This guidance applies to purchases using MiDEAL contracts, piggybacking off another agency's contract, consortium agreements, or from the agency's own contract.

Information: Purchasing off existing contracts is an easy way to procure rolling stock as it saves time and effort; however, transit agencies should use caution when making specifications changes as it can affect prices, product quality, or even be considered a cardinal change. All these reasons can cause the procurement to no longer be competitive and/or federally compliant.

Common Problematic Specification Changes: Throughout the life of any contract there are common changes that become problematic to the integrity of the specifications and the contract as a whole. Here are some examples:

- A transit agency makes changes by adding or deducting equipment after a contract has been awarded. These changes create concerns if the vendor is providing fair market value (FMV). Some vendors add profit to these items and this makes determining FMV ambiguous. As a result, agencies could be paying more along with changing the specifications.
- A transit agency removes seats from a bus to make it a non-Commercial Driver's License (CDL) bus (15 or fewer passengers).
- A vendor provides extra equipment options outside of the original solicitation and specifications.
- A vendor states their product has changed since the original solicitation/specification and is required to increase the prices.
- Bid-pricing forms provided by the transit agency are confusing or not complete. Poor bid-pricing forms leave prospective bidders open to their own interpretations which could lead to incomplete bids and ambiguous pricing.
- A transit agency purchases a vehicle off another contract; however, the vehicle does not meet the agency's needs. The dealer then offers a comparable vehicle that meets the agency's needs but the comparable vehicle is not on the contract. The dealer substitutes a comparable vehicle without making it clear to the agency because the dealer does not consider the change to be significant.
- A dealer offers "MiDEAL pricing" for vehicles but the dealer does not have an official contract with the State of Michigan.

Tips for a better procurement:

- Modifications/changes to the contracts and specifications shall include the rationale for the change, change orders issued, and documentation reflecting any contract price increases or decreases as a result of those modifications. Changes shall be based on Federal requirements/regulations, required by the State of Michigan, a manufacturer's safety update/recall, or because a component has been discontinued and is no longer available. Changes/alternations include but are not

- limited to powertrain, emissions equipment, safety equipment, vehicle standards, etc. A cost or price analysis is needed for any price changes.
- Do not deduct standard equipment. If you piggyback on other contracts, you must accept the item(s) (vehicle, equipment, supplies, etc.) as specified.
 - Clearly specify all standard equipment and options in the initial procurement.
 - Do not remove seats to make a non-CDL vehicle as this is not acceptable because vehicles are certified, by the manufacturer, to carry the number of passengers as specified.
 - Do not accept vendor-provided equipment options outside the original solicitation and specifications. Equipment options purchased outside of the contract shall be paid utilizing local funds and not reimbursed by federal and state funds. Also, evaluate all bids thoroughly and verify bidders are not adding extraneous items options to the base bid that were not specified.
 - Include change clause language in your contract and have a documented procedure on dealing with changes. Changes to contracts do occur because items may no longer be available, new federal requirements, build changes, etc.; however, if there are too many changes or the price changes dramatically it may require a new solicitation.
 - Do not accept vehicles from dealers based on the fact they will provide “MiDEAL pricing” or a “government pricing deal.” This is not a competitive procurement. Purchase vehicles from dealers that have official contracts for specific vehicles.
 - Be very clear in your communications with a MiDEAL vendor or any other vendor that is providing you a vehicle based on another agency’s procurement process. Ask the vendor if they have made any changes to the vehicle to meet your specified needs (or changes in the marketplace since the original solicitation was done) such that it is no longer the exact vehicle they previously bid. It is the transit agency’s responsibility, not the vendor’s, to ensure any change that has been made does not invalidate the procurement process.
 - Create clear forms for bidders to complete that list base and optional equipment prices.

Certification:

MDOT/Bureau of Passenger Transportation is requiring agencies complete a “Vehicle Purchase Specification Certification” form for every vehicle purchase. The form shall be submitted to MDOT with a MiDEAL payment request or a third-party contract approval request (see attached document).

Michigan Department of Transportation Bureau of Passenger Transportation (3/11)	Vehicle Purchase Specification Certification	2011-18
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Purpose and Use:

This form must be completed for every MiDEAL or local purchase to certify the vehicle procurement complies with the specifications as originally solicited. Form shall be submitted to MDOT with a MiDEAL payment request or a third-party contract approval request.

Purchase Program:

- MiDEAL (State Extended Purchase Program) Local Purchase

Purchase Source (Local Purchases Only):

- Agency Solicitation Joint Procurement/Consortium Piggyback Other

All Purchases:

Ordering Agency Name
MiDEAL Contract No. (if applicable)
MDOT/Agency Contract No.
Type of Vehicle
Contract Holder/Lead Procuring Agency (i.e. State of Michigan, ABC Transit, etc.)
Vendor/Dealer Name

Certification (select one):

- I certify the vehicle specifications have not changed or altered from the original solicitation.
- I certify changes/alterations, made outside of the original solicitation, are based on Federal requirements/regulations, required by the State of Michigan, a manufacturer's safety update/recall, or because a component has been discontinued and is no longer available. Changes/alterations include but are not limited to powertrain, emissions equipment, safety equipment, vehicle standards, etc. Attached are documentation supporting the change/alteration and solicitation or contract clause language referencing changes.

Agency Representative (Print)	Vendor Representative Name (Print)
Agency Representative Signature	Vendor Representative Signature
Date	Date