



Metro

Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE
FEBRUARY 16, 2006**

SUBJECT: EXECUTION OF OPTION FOR ARTICULATED BUSES

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file report on the 94 Compressed Natural Gas Articulated bus option.

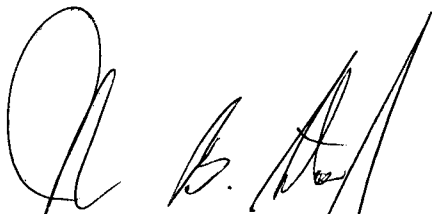
BACKGROUND

At the Special Board Meeting on September 22, 2005, the Board authorized staff to exercise an option under Contract No. OP33200646 to purchase 94 additional sixty-foot Compressed Natural Gas (CNG) high capacity articulated buses in an amount not-to-exceed \$79,091,314.

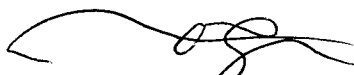
As approved by the Board, funding for this activity was programmed in the FY07 spending plan. NABI notified Metro that they had a gap in their production scheduled starting in April 2006 and asked if Metro would be interested in starting production of the first 30 buses earlier than planned.

Metro considered NABI's request and agreed to exercise this option. This agreement allows NABI to initiate production of the first 30 buses starting in April 2006. In exchange for this consideration, NABI has agreed to modify the payment provisions of the first 30 buses in order to defer any payments for this contract option until the start of FY07 (July 1, 2006). In addition, NABI has also agreed to provide Metro two additional buses at no additional cost.

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