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DOT ENDS PRICE OFFSETS AND WEIGHT INCENTIVE PROVISIONS FOR TRANSIT BUS PROCUREMENTS

The U.S. Department of Transportation today eliminated a requirement that limited the flexibility of local mass transit agencies in Federally-assisted bus purchases.

Arthur E. Teele, Jr., Administrator of DOT's Urban Mass Transportation Administration, announced that, effective immediately, UMTA would no longer require transit agencies to use price offsets and weight incentive provisions in ordering Advanced Design Buses (ADB), state-of-the-art transit buses built by all major American bus manufacturers.

"This is a major step that will encourage greater flexibility in bus procurement and give greater decision-making authority to local jurisdictions," Teele said.

Until today, UMTA required transit agencies ordering ADBs to evaluate bid prices using a complex set of price offsets. The offsets raised or lowered the comparative bid prices of the buses offered by competing manufacturers depending on whether certain features were included.

UMTA also formerly required a weight incentive provision that increased or decreased the actual contract price of buses depending on whether the vehicles, as delivered, were above or below a specified weight.

The price offset and weight incentive provisions were part of a larger set of specifications for ADBs which were developed by transit agencies and bus manufacturers and mandated by UMTA. These specifications, known collectively as the "White Book," are under review by the Department, which is looking at ways to reduce Federal involvement in mass transit vehicle procurements. UMTA is considering a change in policy that would make the use of the "White Book" specifications voluntary rather than mandatory.

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