




# Memorandum



Miami-Dade County Office of the Inspector General  
A State of Florida Commission on Law Enforcement Accredited Agency  
601 NW 1<sup>st</sup> Court ♦ South Tower, 22<sup>nd</sup> Floor ♦ Miami, Florida 33136  
Phone: (305) 375-1946 ♦ Fax: (305) 579-2656  
Visit our website at: [www.miamidadeig.org](http://www.miamidadeig.org)

To: The Honorable Daniella Levine Cava, Mayor, Miami-Dade County  
The Honorable Oliver G. Gilbert, III, Board Chairman  
The Honorable Eileen Higgins, Chair, Transportation, Mobility, and Planning Cmte.  
and Members, Board of Commissioners, Miami-Dade County

From: Felix Jimenez, Inspector General 

Date: April 8, 2024

Subject: Contract Oversight Report – Contract No. RFP-00456 for Battery-Electric Buses and Charging Systems; Ref: IG23-0007-O

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Attached please find the Office of the Inspector General's (OIG) above-captioned report. The OIG reviewed the Department of Transportation and Public Works' (DTPW) ordering and payment for battery-electric buses and charging systems pursuant to Contract No. RFP-00456 (the Contract). We specifically examined DTPW's purchase orders and modifications thereto vis-à-vis the Contract's pricing terms authorizing Producer Price Index (PPI) adjustments.

This report, as a draft, was provided to the Administration for its review and the opportunity to provide a written response. The Mayor's response is summarized in Section II of the report and fully included in Appendix A. The OIG is satisfied that the Mayor will be seeking a confirmation purchase in the amount of \$5.15 million for the overpaid PPI adjustments not in accordance with the Contract.

The OIG would like to thank the staffs of DTPW and the Strategic Procurement Department for their cooperation and for the courtesies extended to the OIG throughout this inspection. For your reading convenience, an Executive Summary follows.

## Attachment

cc: Jimmy Morales, Chief Operating Officer, Office of the Mayor  
Carladenise Edwards, Chief Administrative Officer, Office of the Mayor  
Eulois Cleckley, Director, Department of Transportation and Public Works  
Namita Uppal, Director, Strategic Procurement Department  
Ofelia Tamayo, Director, Audit and Management Services Department  
Yinka Majekodunmi, Commission Auditor, Office of the Commission Auditor  
Jennifer Moon, Chief, Office of Policy and Budgetary Affairs  
Javier A. Betancourt, Executive Director, Citizens' Independent Transportation Trust

**OIG EXECUTIVE REPORT SUMMARY**  
***Contract No. RFP-00456 Battery-Electric Buses and Charging System***

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On October 3, 2019, the Board of County Commissioners (BCC) awarded Contract No. RFP-00546 for Battery-Electric Buses and Charging Systems (the Contract) to Proterra, Inc. (Proterra). The Contract was for the purchase a minimum of 33 battery-electric buses (with chargers and training), up to a maximum of 75 buses, charging systems, and spare parts in the amount of \$72,176,322. DTPW would purchase the first batch of 33 buses and charger dispensers, and the charging systems to be installed at each of the County’s three bus depots. The Contract’s capacity for an additional 42 buses would allow other transit agencies to “piggy-back” on the Contract and/or enable DTPW to purchase additional buses. To accommodate this option, the Contract allowed for inflationary price adjustments based on when the future orders were placed. DTPW elected to order all 75 buses/chargers, albeit, at different times.

This report reviews the actions taken by DTPW after issuing Notices to Proceed and initial purchase orders (POs) for all 75 buses/chargers and charging systems. After expending the entire allocation, including an internal contract modification (increase) of \$1.7 million, DTPW was only able to receive and pay for 69 buses, 75 chargers, and three charging systems. Over \$900,000 allocated for spare parts were never ordered. The value of the six buses ordered but not accepted due to lack of funds is approximately \$5.3 million. Significantly, the OIG found that DTPW overpaid Producer Price Index (PPI) adjustments by \$5.15 million using base and future dates not authorized by the Contract’s pricing terms.

This report provides detailed results of the OIG’s review, which are summarized below.

In Finding 1, we describe an owner-directed delay that resulted in PPI adjustments. While the OIG does not contest the directive or its application to the PPI adjustment (i.e., the OIG does not include this 15-month delay in our calculation of overpayments), we do take issue with the fact that it was never memorialized. This is just poor contract management. Although DTPW ordered the first set of buses and chargers within the contractual 180-day period for firm fixed pricing, there was a “hold” request that was lifted with a “go ahead” some 15 months later due to issues involving an updated battery model. Neither the hold nor the lifting of the hold was ever documented. There was no correspondence with the vendor that we could find regarding this hold. The County’s Strategic Procurement Department (SPD) Director also requested a copy of the correspondence. There was none to be provided. Based on verbal representations and legal consultation with the County Attorney’s Office, the month of January 2021 was used by SPD as the Future Award Month for calculating a PPI adjustment on the first order of 33 buses and chargers.

In Finding 2, the OIG determined that DTPW overpaid \$5.15 million in PPI adjustments that were not authorized by the Contract’s price adjustment clause. The OIG’s review revealed a series of questionable financial maneuvers and decisions that were not in compliance with the terms and conditions of the Contract. The Contract allowed for price adjustments based on a Base Award Month and a Future Award Month as defined in the Contract. DTPW and Proterra

**OIG EXECUTIVE REPORT SUMMARY**  
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used Base and Future dates not authorized by the Contract. This unauthorized application of dates resulted in a cost increase of \$6.9 million in PPI adjustments. The OIG determined that the Contract's pricing terms would have allowed for \$1.7 million in PPI adjustments based on the Contract's Base Award Month of October 2019 and Future Award Month based on the 15-month battery delay (see Finding 1) and future order dates for the remaining 42 buses and chargers. The unauthorized payments totaled approximately \$5.15 million. OIG Schedules B, C, and D collectively track the revisions to the POs and show the calculation of overpayments. The Administration accepts the OIG's finding and is proceeding with a Confirmation Purchase for the \$5.15 million paid.

Finding 3 discusses actions taken in February – March 2023 to seek a contract modification to cover contract expenditure shortfalls. Subsequent to Proterra invoicing for the 67 buses at inflated PPI prices, DTPW sought a contract modification for an increase of \$7 million to be able to pay for the entire order of 75 electric buses. SPD staff conducted their own calculations pursuant to the Contract's Article 8 pricing terms and determined that contract allowable PPI was approximately \$1.7 million. SPD advised DTPW that any amounts beyond the \$1.7 million required BCC approval. No BCC approval was sought, and the lesser \$1.7 million adjustment was processed under the Mayor's delegated authority. What was not revealed was that Proterra was already invoicing and DTPW had already been paying those invoices at the higher PPI adjusted amounts. Upon receiving the additional \$1.7 million in contract funding, DTPW was able to pay for buses #68 and #69.

Finding 4 highlights a breach of protocol during DTPW's administration of the contract engagement. An internal document outlining a price increase was sent to Proterra despite warnings from DTPW procurement staff. This could have been misconstrued as approval for the price hike, bypassing proper approval channels and potentially misleading Proterra. The incident raises concerns about adherence to established procedures and the risk of confusion during the contract engagement.

Finding 5 shows how Proterra pressed DTPW to finalize a purchase order revision with a significant price hike (over \$3.9 million) shortly before its quarterly earnings report (November 2, 2022). DTPW finalized the revised purchase order just one day before the report's release. The OIG emphasizes that county procurement procedures should not be influenced by a vendor's financial reporting schedule. Due diligence, including legal review and verification of calculations, is crucial to ensure the County receives fair value for its purchases. Bypassing these essential steps to meet a vendor's deadline is an unacceptable practice.

The OIG made three recommendations. The Administration is proceeding with recommendations nos. 1 and 2 (requesting that the BCC approve a Confirmation Purchase and seeking a release of future claims). The OIG's third recommendation involves prospective accountability measures related to payment of inflationary adjustments. The OIG will work with the SPD and the County Attorney's Office to find workable solutions.

**MIAMI-DADE COUNTY**  
**OFFICE OF THE INSPECTOR GENERAL**



**CONTRACT OVERSIGHT REPORT**

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*Contract No. RFP-00456 Battery-Electric Buses and Charging System*

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**IG23-0007-0**  
**April 8, 2024**

**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
**CONTRACT OVERSIGHT REPORT**  
*Contract No. RFP-00456 Battery-Electric Buses and Charging System*

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**IG23-0007-O**

**I. INTRODUCTION & SYNOPSIS**

Since issuing our contract oversight report on compressed natural gas buses in November 2019, the Miami-Dade County Office of the Inspector General (OIG) has been monitoring the Department of Transportation and Public Works' (DTPW) acquisition of additional buses to its fleet. Miami-Dade County (County) awarded its first electric bus contract to Proterra, Inc. (Proterra) in October 2019—the contract that is the subject of this memorandum (*RFP-00456 Battery-Electric Buses and Charging System*, hereinafter the Contract). More recently, in January 2023, the County awarded a contract for 60-foot articulated, level-boarding electric buses, which will be operated on the South Dade Bus Rapid Transit Corridor. This project and the delivery of the buses are also being monitored by the OIG.

The OIG is aware that the Administration has prepared an Agenda Item to be considered by the Transportation, Mobility, and Planning Committee on April 10, 2024. This report provides the OIG's findings, observations, and comments relating to Producer Price Index (PPI) payments to Proterra. The report also contains a chronology of events detailing the purchase orders and modifications thereto, showing how the Contract's not-to-exceed value of \$72,176,322 and \$1.7 million contract modification were spent. (OIG Schedule A)

In short, this Contract authorized the County to purchase up to 75 electric buses and individual charging units; three facility charging systems, including their installation; and \$946,607 in spare parts and ancillary equipment. The Contract had a maximum not-to-exceed total of \$72,176,322, which was enough money to pay for all these items. Because the County announced that it was initially only ordering 33 buses and chargers, PPI adjustments based on subsequent ordering dates and a formula were built into the Contract. DTPW elected to order all 75 buses and charging dispensers. It did not purchase any of the spare parts or ancillary equipment. Based on erroneous PPI calculations, DTPW exhausted all of the Contract's funding. Even with the \$1.7 million adjustment, DTPW was still short on paying for the last six buses.

The Contract allowed for PPI adjustments based on a formula, taking into account the Contract's Base Award Month (October 2019) and the Future Award Month (i.e., date future orders are placed exceeding 180 days after the contract was awarded). Article 8 of the Contract is quite straightforward and even provides examples of how the PPI is to be calculated. The OIG determined that DTPW overpaid PPI not in compliance with the Contract. These overpayments totaled \$5.15 million.

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The Contract's Base Award Month was not used; instead, August 2018 was used. The Contract does not allow for this. Additionally, the Future Award dates were arbitrarily extended to February 2022 without justification. By elongating the period from Base Award to Future Award, the PPI adjustments were increased significantly. This report will detail the three separately placed orders (Notices to Proceed and resulting purchase orders). This report will also discuss a proposed change order for approximately \$7 million and the discussions that ensued about the need to present the item to the Board of County Commissioners (BCC) for approval. Ultimately, the proposed change order was not advanced. Instead, a request for a \$1.7 million contract modification was requested. The calculations to support the \$1.7 million request were based on the correct Base and Future dates; however, PPI monies had already been paid using the wrong dates. Instead, the \$1.7 million went to pay for buses #68 and #69. Recently, in the course of this review, DTPW personnel have acknowledged to the OIG that overpayments were made. The OIG also acknowledges that the Contract's adjusted ceiling of \$73,877,944.08 was not exceeded.

As it relates to the proposed Agenda Item, the OIG takes no issue with the Administration's four requested approval items. Given the demise of Proterra and the bankruptcy sale of assets, we acknowledge that the assignment, modification to warranty periods, etc. are necessary. Since providing a copy of this report, as a draft, to the Administration, the proposed Agenda Item has been revised to seek a ratification of a confirmation purchase. In other words, the BCC must approve expenditures already made without prior authorization—in this case, the contract did not allow for the PPI formula agreed to by DTPW. The Administration's request for the ratification explains: "The calculations for the price adjustment were based upon the PPI published ***at the time the pricing was established until the time at which production was completed***, not including testing, commissioning, and delivery." (Emphasis added by OIG). In other words, the Base Award Month was pushed back a year earlier to August 2018 and the Future Award Month was pushed forward to February 2022. It is the OIG's desire that the resolution effectuating the confirmation purchase is clear as to what and for what dollar amount is being approved.

In discussions with DTPW, the OIG has recommended, and DTPW has agreed, to seek a release from Phoenix Motor, Inc. for pursuing any claims for the six buses that the County ordered but never accepted.

Last, for future contracts that allow inflationary adjustments, the OIG recommends that PPI adjustments (or similar) be accounted for in the contract's price schedule—and subsequently in the purchase order—as a dedicated allowance account that requires co-



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authorization by another entity other than the user department. As funded by a separate line item/account, payments made for PPI increases will be more transparent. This recommendation has also been shared with the County's Chief Procurement Officer.

**II. ISSUANCE OF DRAFT REPORT, RESPONSE, AND COMMENTS THEREON**

This report, as a draft, was provided on March 29, 2024, to the Mayor's Office and DTPW for review and an opportunity to provide a written response. The OIG received a response on April 7, 2024, which is attached in Appendix A. The OIG appreciates the timely response from the Administration, which enables us to finalize this report in advance of the BCC's Transportation, Mobility, and Planning Committee on April 10, 2024.

In short, the Administration acknowledges that \$5.1 million was overpaid to the vendor in noncompliance with contract terms. Regarding the OIG's initial recommendation to seek a contract amendment, the response explains the unfeasibility of this approach due to Proterra's bankruptcy and the limited nature of the Supplemental Agreement with Phoenix. Since issuing this report as a draft, the previously referenced agenda item has not been published and the OIG acknowledges that the Administration is requesting that the BCC approve a confirmation purchase in the amount of \$5.15 million to account for the noncompliant expenditures.<sup>1</sup> Pursuant to the County Code, this will require a 2/3 majority vote of the BCC. The OIG is satisfied with this approach so long as the proposed resolution is clear as to the dollar amount of the confirmation purchase and the reason for it.

Relating to OIG Recommendation No. 2 that suggests seeking a release of future claims, the Administration responds that "we will issue a notice of final acceptance to Phoenix pursuant to the Supplemental Agreement that will contain an outline of the prices paid and include a release of claims related to any future payment obligations. This will be drafted in consultation with the County Attorney's Office." The OIG is satisfied that the Administration will pursue obtaining said release.

Relating to OIG Recommendation No. 3 regarding inflationary adjustments in future contracts, the Administration states that the recommendation is under review and "the SPD team will work with OIG and CAO to implement solutions for better contracts and transparency." The next sentence reads "that approval from SPD, either in the form of a contract modification, supplement agreement or change order, is required to effectuate price adjustments allowed in the contract." As to this last sentence, the OIG acknowledges that this is the correct procedure, but it was not followed. Unit prices were

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<sup>1</sup> [Transportation, Mobility and Planning Committee Agenda Item 3\(I\), April 10, 2024.](#)

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changed on purchase orders and noncompliant price adjustments were already provided to the vendor prior to seeking SPD's approval.

Moreover, the response also points to a March 13, 2023, email exchange between DTPW and SPD as demonstrating that SPD should have been on notice with the pricing adjustment methodologies utilized by DTPW. This email thread was not originally included in the draft report, but it is being included now as Exhibit 8b. SPD initiated the conversation by asking "Based on the price adjustment allowed in the contract, the calculated increase amounts to \$1.6 million. It is based on the order date and index allowed. I am unclear as to how DTPW staff calculated the increase to be \$7 million." Shortly thereafter, DTPW modified its contract modification request to \$1.9 million. The email thread ends on March 13, 2023, with several bulleted explanations concerning the first order of 33 buses, the verbal authorizations related to the updated battery, the order for the 42 chargers, and the order for the 42 buses. The email also contained several attachments, one of which was Proterra's final Notification of Price Adjustment dated September 16, 2022, and an excel worksheet showing calculations to support the requested \$7 million. DTPW made no clear statement that an agreement had been made with Proterra to pay the inflated costs despite all 33 buses and chargers being invoiced during 2022 and most paid before the March 13, 2023, email was sent. (See OIG Schedule E)

Regarding the Future Award Month of February 2022, the response takes issue with the OIG's characterization of this date as arbitrary and without justification. DTPW maintains that this is the date on which production of the buses was completed, as explained in the Mayor's memorandum accompanying the agenda item. The OIG begs to differ. An email was sent on March 29, 2022, from Proterra's East Region Manager to several DTPW staffers congratulating them that the first production bus (S1) officially entered the production line. The email included a photo of the first bus entering the line. (Exhibit 15 – new to the final report) On the other hand, Proterra, in its first Notification of Price Adjustment letter, dated April 11, 2022, (see Exhibit 2a) uses the Future Award Month of February 2022, as it was the last published rate at the time of authoring the letter.

The response also addresses spare parts. The OIG acknowledges that there was no requirement for DTPW to have purchased spare parts under the contract, only that the contract contained \$946,607 for spare parts. Instead, those monies were expended on PPI adjustments.

The Administration's entire response may be found in Appendix A to this report.

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**III. OIG JURISDICTION STATEMENT**

In accordance with Section 2-1076 of the Code of Miami-Dade County, the Inspector General has the authority to make investigations of County affairs; audit, inspect and review past, present and proposed County programs, accounts, records, contracts, and transactions, including analyzing the reasonableness of change orders and reporting on whether projects are within budget, on schedule, in conformity with contract specifications, and whether the method used for implementing the project or program is or was efficient both financially and operationally. The Inspector General may conduct reviews, audits, inspections, and investigations of County departments, offices, agencies, and boards; and require reports from County officials and employees, including the Mayor, regarding any matter within the jurisdiction of the Inspector General. OIG reports and recommendations to the Board of County Commissioners are intended to assist the Board in making determinations about particular projects, programs, contracts and transactions.

**IV. PROCUREMENT BACKGROUND**

On October 21, 2016, the County issued *Request for Proposals (RFP) No. 00456 for Battery-Electric Buses and Charging Systems*. The solicitation stated the County was seeking to purchase a minimum of 33, 40-foot electric buses and systems, with the option to purchase up to 75 buses total.

Three responses were received. One was determined to be nonresponsive and the remaining two were evaluated by the Competitive Selection Committee. Proterra succeeded as the top-ranked proposer. Negotiations commenced in the beginning of 2018 and concluded on August 30, 2018, when Proterra executed the Contract. Ten months later, on June 28, 2019, an award recommendation from the Mayor was filed with the Clerk of the Board. The second-ranked firm filed a bid protest, and after a hearing, on August 2, 2019, the Hearing Examiner recommended that the protest be denied.

On October 3, 2019, the agenda item recommending the award of the electric bus contract was before the Board. In response to questions from Commissioners, the then DTPW director explained that the department would be initially ordering 33 buses. Extra capacity (i.e., an option for 42 additional buses) was built into the Contract as other jurisdictions indicated an interest in piggy-backing this contract and the extra capacity would also provide DTPW with future flexibility as well. Also, in response to questions, the Chief Procurement Officer (CPO) provided the per bus and charger prices: \$898,000 for the first 33 buses and \$893,000 for buses 34 through 75, noting a reduced price of \$5,000 per bus and charger pair. The CPO also explained that the unit price was for each

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pair of bus and charger. There was also a \$4,089,715 lump sum charge for three charging systems (one at each bus depot, including installation). (See Table 1 for more details on the pricing breakdown.) After additional questions and answers, the contract award was approved via Board Resolution No. R-1041-19.

The administration of the Contract was then placed with DTPW. The first purchase order was issued on December 10, 2019. Thereafter, there was a series of requests and modifications, sometimes based on verbal directives; supervening events—including the COVID-19 pandemic; and irregular purchasing decisions that all contributed to a series of adjustments and changes to the aforementioned first purchase order and subsequent purchase orders. See OIG Schedule A for a detailed timeline of events.

**V. OVERVIEW OF THE CONTRACT PRICE SCHEDULE & FOUR PURCHASE ORDERS ISSUED**

Attachment C of the Contract listed out the price schedule for Base Orders. Table 1 below replicates the price schedule found in the Contract and includes an additional column showing the extended prices for each of the items.

**Table 1: Contract Price Schedule – Base Orders**

Item	Quantity	Description	Unit Price	OIG Added Column Extended Price
1	LS	Construction and Installation of Charging Systems	\$4,089,715.00	\$4,089,715.00
2A	33	40' Low Floor Battery-Electric Bus and Charger (Including training)	\$898,000.00	\$29,634,000.00
2B	42	40' Low Floor Battery-Electric Bus and Charger (Including training) - Special pricing for buses 34-75	\$893,000.00	\$37,506,000.00
3	250	Spare Wheels Tire Rims	\$422.00	\$105,500.00
4	30	Spare Powertrains	\$23,000.00	\$690,000.00
5	20	Spare Air Conditioning System Parts Sets	\$850.00	\$17,000.00
6	10	Spare Wheelchair Ramps (Complete Assembly)	\$5,750.00	\$57,500.00
7	5	Spare Destination Sign Sets (Complete system)	\$3,500.00	\$17,500.00
8	10	Spare Body Parts Sets	\$2,730.69	\$27,306.90
9	10	Special tools for powertrain diagnostics and maintenance	Included in base proposal during negotiations	
10	10	Special tools for charging station diagnostics and maintenance	Not Applicable	

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Item	Quantity	Description	Unit Price	OIG Added Column Extended Price
11	10	Special tools for air-conditioning system diagnostics and maintenance	Not Applicable	
12	5	Special tools and equipment for cradle or powertrain changes	Not Applicable	
13	1	Multiplexing System Mock-Up Board	\$30,000.00	\$30,000.00
14	6	Universal Tow Bars	\$300.00	\$1,800.00
			Total	\$72,176,321.90

What is notable here is that DTPW only purchased items 1, 2a, and 2b. No spare parts or ancillary equipment were purchased. The total allocation for spare parts was \$946,606.90. Another notable observation is that the unit price for each bus includes an individual charger (not to be confused with the three facility chargers in Item #1). The pair (bus and charger) is one unit price. There is no separate breakout pricing for a bus alone or for a charger alone.

There were four Notices to Proceed (NTP) accompanied by purchase orders (POs). Each NTP/PO is generally described below. The adjustments and written explanations of each are described in more detail later in the Findings section of this report and in OIG Schedule B.

- NTP/PO#1 – issued on 12/10/2019 for 33 buses and chargers (Item #2A above)
  - Contract base unit price \$898,000.00
  - Original PO total = \$29,634,000.00
  - Three subsequent modifications to PO#1
  
- NTP/PO#2 – issued on 12/12/2019 for Construction & Installation of Charging Systems (Item #1 above)
  - Lump sum price \$4,089,715.00
  - One subsequent modifications to PO#2<sup>2</sup>
  
- NTP/PO#3 – issued on 03/01/2021 for 42 chargers (part of Item #2B above)
  - Unit price \$90,400.00 (*\*no authorization for separate unit price in the Contract price schedule*)

<sup>2</sup> Design-related modifications were made, and this increased the overall price of the charging systems, including installation, by \$164,798.34, but there were no PPI adjustments.

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- Original PO total = \$3,796,800.00
- Two subsequent modifications to PO#3
  
- NTP/PO#4 – issued on 05/19/2021 for 42 buses (part of Item #2B above)<sup>3</sup>
  - Unit price \$814,047.71 (*\*no authorization for separate unit price in the Contract price schedule*)
  - Original PO total = \$34,190,003.82
  - Five subsequent modifications to PO#4

There were no issues or concerns with PO#2 for the facility chargers and, as such, PO#2 is not further discussed in this report.<sup>4</sup> There are several issues and matters of concern relating to POs #1, 3, and 4. These all involve calculations for the PPI adjustments. The Contract does allow for them; however, the OIG’s independent review and calculations reveal that even accounting for allowable PPI adjustments, the County overpaid approximately \$5.15 million. These calculations will be detailed in Finding 2 and are depicted in OIG Schedules C and D.

**VI. OVERVIEW OF CONTRACT ALLOWABLE PPI**

Article 8 of the Contract, *Pricing*, is clear that awarded prices in Attachment C – Base Order Price – shall remain firm and fixed for 180 days after contract award. Here, the Contract was awarded by the BCC on October 3, 2019, and executed by the Mayor on October 18, 2019, which is the effective date of the Contract. Article 8 also provides very detailed instructions on how PPI adjustments are to be applied. (See Exhibit 1 for a copy of Contract Article 8 in its entirety.)

In short, a calculation based on the *U.S. Department of Labor, Bureau of Labor Statistics, PPI for Category 1413, "Trucks and Bus Bodies"* is applied to the difference between the Future Award Month’s index value and the Base Award Month’s index value. That difference, called the index point change, is then utilized to determine the percentage adjusted price change with one caveat –“in no event will the result in a price increase be greater than five percent per year above the Base Order Price.”

The Base Award Month is October 2019. The Future Award Month is the month when the order is placed. Orders placed within 180 days of contract award do not qualify for a

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<sup>3</sup> The Contract unit price for Item #2B is \$893,000.00. IF we are to assume that \$90,400 is the appropriate price for a charger alone, then the balance of the unit price for a bus alone would be \$802,600.

<sup>4</sup> Charging systems were constructed and installed at each of the County’s three bus depots: Northeast, Central, and Coral Way. Installation also included 25 charging dispensers at each location. The charging dispensers were purchased separately as part of the bus/charger bundle.

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PPI adjustment, however, as discussed below, delays attributed to a DTPW-issued directive caused delays that altered the Future Award Month for PPI calculations.

**VII. OIG REVIEW, INSPECTION, AND ANALYSIS<sup>5</sup>**

In our attempt to determine the major factors that predicated the justification for the PPI adjustments and the resulting fiscal impact, the OIG requested and reviewed hundreds of email correspondence between DTPW and Proterra, internal correspondence among County personnel, all purchase orders and adjustments thereto, payments, DTPW bus delivery and inspection reports, and daily bus down reports. We interviewed current and former DTPW employees and Strategic Procurement Department (SPD) employees, including the current DTPW Director and Chief Procurement Officer. OIG personnel performed site visits at DTPW's bus facilities to see first-hand the electric buses and charging operations.

OIG Schedule A presents a detailed timeline of all the relevant events, including key PO modification dates, correspondence and emails, delivery dates, and payment dates. Reference is made to Schedule A throughout this report.

**Finding 1: DTPW's directive regarding a hold on electric batteries and the lifting of the hold were not memorialized; this owner-requested delay resulted in PPI adjustments.**

As highlighted above, PO#1 was issued on December 10, 2019 (approximately two months after Contract Award). In January 2020, DTPW personnel travelled to Greenville, South Carolina, to visit Proterra's production facility. There was a pre-production technical review meeting where DTPW personnel learned that Proterra was working on a new battery that it would be using going forward. This new battery (Model 2170) was more advanced, providing higher charging efficiency and longer range at no extra cost. However, in order to meet the production schedule, the Pilot Bus would still be assembled using the battery model that it specified (Model 18650) in its response to the RFP, but the production buses would be equipped with the newer battery model. Eventually, Model 18650 would be obsolete.

Through multiple interviews with DTPW personnel, including DTPW's former Deputy Director of Finance and Administration, the OIG was advised that DTPW personnel communicated their hesitancy about the battery issue to Proterra. What is not clear—

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<sup>5</sup> This review was performed in accordance with the Principles and Standards for Offices of the Inspector General, Quality Standards for Inspections, Evaluations, and Reviews, as promulgated by the Association of Inspectors General.

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because none of it was reduced to writing—is whether DTPW requested Proterra to halt production altogether or whether the decision on the battery issue alone was suspended.<sup>6</sup>

One year later, in January 2021, during a subsequent visit to Greenville, DTPW communicated to Proterra that they wanted the Pilot Bus to be equipped with the new Model 2170 battery. From DTPW’s perspective, they were concerned with testing the Pilot Bus fitted with a battery that would be obsolete and then, subsequently, taking delivery of the remaining buses with the newer “untested” batteries. DTPW personnel participating in the January 2021 visit to the Proterra facility recalls that it was during this visit that DTPW personnel verbally confirmed their request that Proterra fit the Pilot Bus with the newer model battery, so that all 33 buses would be equipped with the same battery.

Foremost, there is a dearth of any written communications, let alone any approvals, memorializing directives by DTPW to Proterra to halt or suspend production. The OIG only found three<sup>7</sup> correspondences that addressed this hold, albeit over a year after the fact.

In October 2022, DTPW sought a legal opinion from the County Attorney’s Office on whether a PPI adjustment could be applied. Based on the facts presented to the Assistant County Attorney, he opined:<sup>8</sup>

I have been advised<sup>[9]</sup> that after Notice to Proceed and issuance of the Purchase Order but prior to fabrication of the buses, the County advised

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<sup>6</sup> On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. Around March 15, 2020, several states began implementing lockdown, stay-at-home restrictions. On April 6, 2020, Proterra gave notice to the County of a claim of force majeure, citing a 32-day delay on the Pilot Bus and 23-day delay on the first production build schedule. The Contract contains the application of liquidated damages for delayed bus deliveries. As such, Proterra noticed DTPW on the COVID-19 delay, as well as several other delays it attributed to DTPW production-related decisions, such as inverted pantograph rails, batteries, seating modifications and roof top battery packs. No liquidated damages were assessed. Instead, delays attributed to the County resulted in moving the Future Award Month from the original date that PO#1 was issued (December 2019) to February 2022. While the OIG will concede that some delay-related adjustment is reasonable, we take issue with Proterra and DTPW moving the goalpost to February 2022.

<sup>7</sup> In the draft report, the OIG only mentions two correspondences. During the draft review process, the OIG was provided with a third email thread (now included as Exhibit 8b), which questions the hold and lift dates pertaining to the battery delay.

<sup>8</sup> Bruce Libhaber, email message to Ana Rioseco et al. re: Proterra PPI POs, October 28, 2022.

<sup>9</sup> Two days earlier, on October 26, 2022, Assistant County Attorney Libhaber, provided a legal opinion based on Article 8 of the Contract, stating that since the Notice to Proceed and Purchase Order was placed within 180 days of the Contract’s effective date, no PPI adjustment would be allowed.



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Proterra to hold off on delivery of the buses due to the County considering the use of a different battery for the bus. I have been advised that that hold on delivery exceeded 180 days. Assuming the facts as stated are accurate, the County can adjust the processing/payment of the invoice to include adjustments for the Producer Price Index (PPI).

We note that this opinion does not actually state the new Future Award Month. However, based on our interviews with DTPW personnel, there was consensus that the “hold” on the first order of 33 buses was released in January 2021 when a decision was made about the batteries. We note that the Pilot Bus was delivered in August 2021—seven months after the battery decision.

The second correspondence tying the new Future Award Month to January 2021 is found in email correspondence between DTPW and SPD personnel regarding the PPI adjustment for the first order of 33 buses. This correspondence takes place in February 2023. The SPD Procurement Contracting Officer requests the date that the “hold” was lifted in order to adjust the Future Award Month. DTPW personnel reply: “Request for same battery pack for pilot bus and bus production was made on January 21, 2021 during the Pre-production meeting.”<sup>10</sup>

While SPD is advised via email that a decision was made in January 2021 about the battery, the OIG found no written correspondence from DTPW to Proterra requesting a hold, let alone lifting a hold. In an email dated March 10, 2023, the SPD Director requests from DTPW a copy of the “letter/email that was issued by DTPW to Proterra to hold off on the production of the 33 buses and the subsequent letter/email to resume with the order[.]”<sup>11</sup> DTPW responds that it was a verbal authorization to proceed during a pre-production meeting, which was held in January 2021.

These directives to the vendor should have been in writing as the financial impact of these decisions was a 1.925% increase over the initial PO#1 amount of \$29,634,000, which would have amounted to \$571,454.39. The OIG stresses that using the January 2021 date **would have amounted to** \$571,454.39, but DTPW actually moved the Base Award Month back 15 months to August 2018 and pushed the Future Award Month forward an extra 12 months to February 2022. As further described in Finding 2, using this elongated period for PPI adjustments was not authorized by the Contract. For purposes of analyzing the PPI overpayment, the OIG will honor January 2021 as the Future Award Month as

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<sup>10</sup> Carlos Delgado, email message to Namita Uppal and Jesus Lee et al, re: Proterra, February 24, 2023. (Exhibit 8a)

<sup>11</sup> Namita Uppal, email message to Beth Goldsmith et al, re: Electric Buses – Increase, March 10, 2023. (Exhibit 8b)

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when the “hold” was lifted, albeit there is no supporting documentation for any of the verbal directives.

**Finding 2: DTPW overpaid \$5.15 million in PPI adjustments that were not authorized by the Contract’s price adjustment clause.**

A meticulous review of the purchase orders (including revisions), worksheet calculations, and payment records, along with interviews with current and former DTPW personnel reveal a series of questionable maneuvers and decisions that were not consistent with the terms and conditions of the Contract.

To be clear, all 75 buses and chargers were ordered. After the DTPW application of PPI price adjustments there were insufficient allocated funds available to pay for the entire order (75 buses and chargers). Faced with this dilemma, DTPW engaged in a series for questionable maneuvers to ensure payment for as many buses/chargers as the current allocation would allow. The majority of these adjustments took place prior to formally seeking SPD’s approval of a contract modification for PPI increases.

In total, for the 75 chargers and 69 buses received and paid for, DTPW paid \$6.913 million in PPI adjustments over the Contract base price. Based on our independent calculations using the Contract-authorized adjustment formula **and** using the correct Future Award Months for purchase orders,<sup>12</sup> the OIG finds that \$1.763 million in total payments were allowed. As such, the OIG has determined that \$5.15 million was overpaid. (See OIG Schedules B, C, and D for the tracking of POs issued and modifications thereto, a depiction of the Contract-authorized vs. DTPW-utilized Base Award and Future Award Months, and the financial impact of the unauthorized adjustments.)

**A. Modifications to PO#s 1, 3, and 4**  
***(See OIG Schedule B - to track the modifications to each PO)***

**NTP/PO#1** – This first order of 33 buses and chargers was issued on December 10, 2019. PO#1 listed 33 buses and chargers at \$898,000 each for a total amount of \$29,634,000. This first PO was in conformance with the Contract’s Price Schedule. As mentioned earlier, there were three revisions to NTP/PO#1.

- **12/10/2021** – breaks out the Pilot Bus and Charger with a unit price of \$923,375.35; the remaining 32 buses/chargers have an increased unit price of \$898,236.50; the overall PO increases by \$29,422.35
  - ***The Contract’s Price Schedule does not support these modifications***

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<sup>12</sup> OIG utilized Future Award Months: PO#1 – January 2021; PO#3 – March 2021; PO#4 – May 2021

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- **09/25/2022** – decreases price of Pilot Bus, decreases price of the remaining 32 buses due to separation of chargers (\$90,400) to a separate line  
➤ *The Contract's Price Schedule does not support these modifications*
- **11/01/2022** – increases price of Pilot Bus to \$946,529.84; increases the price of buses 2-33 (32 buses) by over \$100,000; increases price of each charger (33 chargers) by over \$12,000. This adjustment was explained as follows:

CHANGE ORDER -11/01/2022- DTPW's CFO REQUESTED TO ADD \$3,933,672.28 TO PO 0940 TO COVER PPI INCREASE  
CHANGED LINE 1: FROM \$ 26,709,570.83 TO \$ 30,236,557.04 = DIFFERENCE OF \$ 3,526,986.21  
CHANGED LINE 2: FROM \$2,983,200 TO \$3,389,886.07 = \$406,686.07 DIFFERENCE  
TOTAL DIFFERENCE: \$3,933,672.28  
UNIT PRICE CHANGES:  
CHARGERS: \$90,400 TO \$102,723.82 EACH  
32 BUSES: \$808,643.64 TO \$915,313.35 EACH  
1 PILOT BUS: \$832,974.35 TO \$946,529.84 EACH

- This increase adjustment was only possible after a corresponding decrease of \$3,933,672.28 was made to PO#4 .

**NTP/PO#3** – This order of 42 chargers was issued on March 1, 2021<sup>13</sup> (shortly after lifting the “hold” related to the electric batteries, but prior to receiving the Pilot Bus). Each charger was priced at \$90,400 for a total PO amount of \$3,796,800. As previously noted by the OIG, the Contract’s Price Schedule did not provide separate pricing for an individual charging dispenser. Each bus and charger were priced as lump sum. There were two subsequent modifications to PO#3.

- **12/13/2022** – increases the price of each charger to \$97,741.95, but also decreases the quantity of chargers from 42 to 38. This reduction was necessary so as not to exceed the PO authorized amount (42 x \$90,400 ≅ 38 x \$97,741.95). As noted on the PO change:

- THE REMAINING 4 CHARGERS REQUIRE BCC MODIFICATION APPROVAL

- No BCC-approved modification was ever sought.

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<sup>13</sup> The Notice to Proceed is dated February 5, 2021; however the executed PO (POMT2101302) was emailed to Proterra on March 1, 2021.

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- Subsequently on May 15, 2023, after the Mayor had approved the contract modification for PPI adjustment (\$1.7 million), the chargers that were previously eliminated were restored, as shown below:

CHARGERS  
-USED FUNDING PROVIDED ON REQ # 15967 IN LINE 1.

- The price paid for the four remaining chargers (#72 – #75) was \$93,288.07 each. <sup>14</sup>

**NTP/PO#4** – This order of 42 buses was issued on May 19, 2021 (shortly after lifting the “hold” related to the electric batteries, but prior to receiving the Pilot Bus, which arrived in August 2021). Each bus was priced at \$813,127 in the PO. This unit price already assumed a PPI adjustment as the base unit price should have been \$802,600. (See lump sum price for Item 2B for a bus and charger of \$893,000 less carved out unit price of \$90,400.) As this order was placed well after the 180-day fixed period, it was eligible for a PPI adjustment. The PO total amount was \$34,151,334. There were five subsequent modifications to PO#4.

- **12/10/2021** – increases the price of each bus to \$814,047.10 to include DTPW-requested modifications. The total value of PO#4 increases \$34,189,978.20.
- **9/25/2022** – additional DTPW-requested modifications increased the price of each bus to \$814,964.85. The total value of PO#4 increases to \$34,228,523.70.
- **11/1/2022** – the PO total amount was reduced in total value by \$3,933,672.28 in order accommodate the simultaneous corresponding increase to PO#1 to pay invoices (including the inflated PPI adjustments) for the first order of buses. In order to accomplish this, DTPW mathematically reduced the unit price from \$814,964.85 to \$721,305.99 so as to be able to maintain the facade of 42 buses. The notes in the purchase order explain the actions taken.

REDUCED EACH BUS TO \$721,305.99 FROM \$814,964.85

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<sup>14</sup> The PPI adjustment of \$2,888.07 (\$93,288.07 - \$90,400) includes an extra month of adjustment. The PO was issued on March 1, 2021. The adjustment uses a Future Award Month of April 2021.

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- **12/13/2022** – DTPW again revised this PO to restore—and increase—the unit price, this time to \$881,153.21 (well above the prior unit price of \$814,964.85). To accommodate this change, the quantity of buses was reduced from 42 to 34.

-THE REMAINING 8 BUSES REQUIRE BCC MODIFICATION APPROVAL

- ✓ The closing note clearly indicates that DTPW was aware that there were insufficient funds to pay for the eight remaining buses. No BCC-approved modification was ever sought. Instead, a contract modification based on “allowable” PPI adjustments was sought under the Mayor’s delegated authority.
- **4/4/2023** – following the Mayoral approval of a contract modification that authorized an additional allocation of \$1,701,621.48 to cover Contract-permitted PPI adjustments, DTPW was able to pay for two of the eight remaining buses at a unit cost of \$833,848.76.<sup>15</sup> The remaining six buses had been ordered, produced, but never paid for or received.<sup>16</sup>

CHANGE ORDER CORRECTION 04/04/2023- REINSTATED 2 BUSES TO LINE 1 MAKING IT A TOTAL OF 34 BUSES ON LINE 1

On August 13, 2021, the County received the Proterra Pilot Bus. A year later beginning August 2, 2022, through March 31, 2023, the County received and accepted 69 buses.<sup>17</sup>

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<sup>15</sup> The unit price of \$833,848.76 paid for each of buses #68 and #69 was based on the contractually correct PPI adjustment.

<sup>16</sup> On January 12, 2024, Phoenix Motorcars Inc. (Phoenix) announced acquisition of Proterra’s transit business. Sometime after Phoenix retained control, it sold the six DTPW-ordered but not delivered electric buses to the Raleigh-Durham Airport Authority. According to a news article, the buses were sold for approximately \$651,5000 per bus. (See Stradling, Richard. [“BOGO: RDU airport gets a bargain price on someone else’s electric buses.”](#) The News & Observer, Raleigh, NC, February 20, 2024.)

<sup>17</sup> The buses were delivered via trailer from the assembly plant in Greenville, South Carolina to the Central Bus Depot, a distance of approximately 700 miles. Once a new bus arrives, DTPW’s Warranty Division performs a Post Delivery Inspection (PDI) and testing of the bus; during this process, various systems are visually inspected and checked. The bus is accepted only after satisfactory completion of the PDI. If a bus fails any portion of the PDI, it must be corrected by manufacturer prior to a re-inspection. DTPW does not accept a bus if it has not successfully completed the PDI.

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**B. Proterra's Notifications of Price Adjustment**  
**(See Exhibits 2a, 2b, 2c, and 2d for the four letters sent by Proterra)**

Beginning with a letter dated April 11, 2022, Proterra provided DTPW with *Notification of Price Adjustment* for the Proterra ZX5+ buses. In that letter, Proterra stated that the adjustment applied to:

both the First Batch Order and the Second Batch Order.

Proterra cited only a portion of Article 8 of the Contract that provided for the use of US Department of Labor/Bureau of Labor Statistics Producer Price Index (PPI) Category 1413 "Truck and Bus Bodies." Proterra's letter states: "Adjustments were calculated using the Base Award Month of August 2018." The letter then states: "Pricing with PPI adjustments to last published rate (Feb 2022)<sup>18</sup> and in accordance with contract limit of five percent (5%) per year. . ." (See Exhibit 2a) Without explanation, August 2018 was used as the Base Award Month and February 2022 was used as the Future Award Month for all of its calculations of the price adjustments.

Subsequently, on May 17, 2022, August 9, 2022, and September 16, 2022, Proterra submitted three updates to its *Notification of Price Adjustments*. At the request of DTPW, in each of these updates, Proterra refined their method of calculating its Price Adjustment. On September 14, 2022, DTPW's CFO provided an Excel template and suggested use of this format for presenting the calculations using a "Year-over-Year" manner to ensure that it would be in the compliance with the Contract provision that "no event will the result in a price increase be greater than five percent per year above the Base Order Price." (See Exhibit 3, which is an email thread beginning September 14, 2022, and ending September 27, 2022, between DTPW's CFO and Proterra officials.)

In its last *Notification of Price Adjustments*, dated September 16, 2022, (Exhibit 2d, previously referenced.) Proterra requested the following unit prices.

**Table 2: Proterra's Final Requested Price Adjustments**

Unit Price for Bus Pilot (1 unit)	\$942,849.57
Unit Price for Bus Production per unit (32 units)	\$915,309.46
Unit Price for Bus Production per unit (42 units)	\$922,478.87
Unit Price for Charger Equipment (75 units)	\$102,324.40

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<sup>18</sup> See discussion in Section II of the report concerning the justification of February 2022 as the Future Award Month, the month that the buses were purportedly completed. See also OIG Exhibit 15 (new to the final report), which shows that the first production bus entered the production line on March 29, 2022.

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***C. Applied Adjustment Price Adjustments and Financial Impact***  
***(See OIG Schedules C and D for details of PPI adjustments, financial impacts and amounts overpaid.)***

DTPW did not readily accept Proterra’s requested PPI Price Adjustments. But we note that for some of the orders, notably PO#1, the elongated PPI adjustment period of August 2018 to February 2022 was utilized. See OIG Schedule C for a depiction of Base and Future Award Months used on the revised POs.

As to the financial impact of all these adjustments, the OIG has determined that DTPW overpaid \$5.15 million in PPI adjustments. (See OIG Schedule D to view how the overpayment was calculated.) The Contract is clear. The Base Award Month is October 2019. There was no authorization—absent a contract amendment—to push back the date to August 2018.

Our review of DTPW’s internal communications shows attachments containing DTPW staff’s calculations, as of June 2022, with their interpretation of Base Award Month and Future Award Month. The DTPW-prepared spreadsheets show that staff followed the strict application of Article 8, using the correct Base Award Month of October 2019. As for the Future Award Month, staff used the issue date of the NTP/PO.

During interviews with DTPW personnel, staff acknowledged various requests to Proterra, after the purchase order had been issued, regarding potential modifications to the base bus. The interviewees further acknowledged that during the January 2021 visit to the Proterra facility in Greenville, Proterra was given a verbal “go-ahead” on the buses after having resolved the battery concerns. As a result, staff advised that rather than using the original December 2019 as Future Award Month, they considered January 2021 as the Future Award Month for the first order.<sup>19</sup>

After receiving *Update #3 to Notification of Price Adjustment* on September 16, 2022, DTPW’s CFO was tasked with finalizing the PPI adjustments. In an interview with the OIG, the now former CFO explained that he had just been assigned responsibility for Procurement following the resignation of the Deputy Director and he was tasked with resolving the Proterra claim. He stated that he was not familiar with the Proterra Contract and assumed the Base Award Month and Future Award Month contained in the vendor’s letters to be correct. He noted that none of the internal DTPW staff challenged or raised objections to his use of the Base Award Month or Future Award Month. His main concern

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<sup>19</sup> In the interest of reasonably concluding this review, the OIG accepts January 2021 as the Future Award Month for the first order of 33 buses and chargers. We used the purchase order dates for PO#3 and PO#4 as the Future Award Month for those orders.

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was to ensure that the calculations were accurate and correct, with particular attention to the fact that no single year's increase exceeded five percent.

Staff advised the OIG that in the final meeting with DTPW executives, the Director expressed a preference for the CFO's PPI calculations<sup>20</sup> because they were lower (in total for all POs by approximately \$1.9 million) than Proterra's request in *Update #3 to Notification of Price Adjustment*. PO#1 for the first batch of buses and chargers was revised on November 1, 2022. Shortly thereafter, DTPW began receiving invoices on November 14, 2022, for the first batch of buses. Both invoice and payment amounts reflected the DTPW Adjusted Price; e.g. Buses #2 through #33 were invoiced and paid \$915,313.35 each.

In December 2022, PO#3 and PO#4 for the second batch of chargers and buses were modified. (See OIG Schedule B)

It is noted that from the inception of this contract award, there have been changes to the leadership team of DTPW. The DTPW Director at the time of the contract award resigned in January 2021. The Mayor's Chief Operating Officer took on the added role of Interim DTPW Director until August 2021, when the now current DTPW Director started. The former Deputy Director with responsibility for Procurement resigned in January 2022. Procurement responsibilities were then placed under the Chief Financial Officer (CFO). That CFO has since resigned, and the Chief Strategy Officer (CSO), in mid-February 2023, was tasked to oversee the department's procurement function with initial instructions to resolve the remaining Proterra issues.

In an interview with the OIG regarding the PPI adjustments, the CSO said that she advised Proterra of calculation errors in the price adjustment and requested a credit towards the outstanding buses. She advised the OIG that Proterra considered the payment of the PPI adjustments to be a closed issue. It is noted that after receiving the \$1.7 million contract modification, the CSO negotiated and paid \$833,848.76 each for bus #68 and #69. This unit price was based on the contractually correct PPI adjustment amount.

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<sup>20</sup> The CFO performed his calculations using the Base Award Month of August 2018 only for PO#1, as proffered by Proterra in its pricing update letters. But the CFO used the Contract effective date of October 2019 for PO#3 and PO#4. To our knowledge, this worksheet was not sent to Proterra but kept internally to support DTPW's PO modifications.



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**Finding 3: Supporting documentation to justify a \$1.7 million contract modification under the Mayor’s authority for PPI adjustments was misleading as unauthorized PPI adjustments had already been made via PO revisions and paid in several invoices through March 24, 2023.**

On or about March 20, 2023, the Strategic Procurement Department sought DTPW’s final review prior to routing a request to the Mayor for a “Modification of the Contract for Battery-Electric Transit Buses and Charging System.” (Exhibit 4) The memorandum, dated March 16, 2023, requested a contract modification in the amount of \$1,701,621.48 to fund contract-authorized PPI adjustments. The request memorandum clearly stated that the adjustments were for the first order placed in December 2019 but delayed due to the battery hold, and subsequent orders placed in April 2021 and May 2021. (Exhibit 5)

On March 24, 2023, the Mayor approved this request as the amount was within her delegated authority granted under IO 3-38 Master Procurement Implementing Order, which states, in part *“For contracts having an original or modified contract amount exceeding \$1,000,000, approve contract modifications not exceeding 20% in the aggregate of the original contract amount during the course of the initial contract term, and not exceeding 20% in the aggregate of the modified contract amount during the term of any option to renew that may be exercised.”*

As support for the monetary modification, SPD prepared a worksheet showing detailed year-over-year calculations based on the contractually-authorized Base and Future Award Months. (Exhibit 6) Our inspection revealed in March 2023, as this modification request was being prepared, DTPW had already issued revised POs to Proterra that were based on different PPI adjustments—the elongated period between Base and Future Award Months.

DTPW was also acutely aware that they didn’t have enough funds to pay for all 75 buses ordered. In a series of emails in September 2022, DTPW staff acknowledged among themselves that they would have to go before the BCC to obtain a larger contract modification. This sentiment was even communicated to Proterra in an email dated September 27, 2022. (See Exhibit 3, previously referenced.) A contract modification request in the amount \$7,022,234 was prepared on December 21, 2022. It was electronically approved by the DTPW CFO on December 22, 2022, and electronically routed to SPD. (Exhibit 7)

The OIG interviewed the SPD Director/Chief Procurement Officer (CPO) regarding her recollection of events involving the proposed contract modification. She recalls learning of the \$7 million request in February 2023. She also recalled that DTPW was seeking to

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expedite the request. She had her staff review and validate the numbers, and she recalls meetings between SPD, DTPW, and the County Attorney's Office. She recalls that the calculations performed by her staff were much lower and nowhere close to the \$7 million being requested by DTPW. She advised DTPW that if they were requesting anything higher, they must obtain BCC approval since anything beyond the \$1.7 million modification was not authorized under the Contract. She also recalled that DTPW sought to apply PPI using months preceding the Contract's award date. She advised DTPW that such a change would be considered a material change to the Contract, which would require BCC approval. DTPW had informed her that that they (DTPW staff) were in negotiations with Proterra. She and her staff went forward with preparing the \$1.7 million modification based on contract-authorized adjustments and the Mayor's delegated authority.

She stated she was unaware that DTPW and Proterra had already agreed on different PPI calculations several months earlier and had already made payments at the revised inflated pricing. In closing, the CPO advised the OIG that any difference between DTPW's requested \$7 million modification and SPD's calculated \$1.7 million modification, is not authorized under the Contract. Any PPI paid by DTPW that exceeded \$1.7 million was not authorized.

The OIG acknowledges that the \$1.7 million Contract Modification request memorandum and supporting spreadsheet were prepared by SPD staff. However, nowhere in the email communications between DTPW and SPD does DTPW reveal that unauthorized PPI adjustments had already been paid on the first order of 33 buses. (See Exhibit 8a for an email thread between SPD and DTPW from February 23 – March 10, 2023, and Exhibit 8b for a separate email thread between SPD and DTPW from February 24 – March 13, 2023 .) Also, on or about March 23 – March 24, 2023 (as the request was being routed to the Mayor), we note that DTPW was already paying PPI adjusted invoices on the second set of buses. (See OIG Schedule E – Payments to Proterra)

**Finding 4: An internal purchase requisition was provided to the vendor against the guidance and instruction from departmental procurement staff.**

A purchase requisition was sent by DTPW's CFO to Proterra on September 27, 2022, which could have misled Proterra into believing that DTPW had agreed to the Proterra-requested PPI adjustments on the first order of 33 buses and 33 chargers.<sup>21</sup> (See Exhibit 9 for the attached screen shot of the requisition and Exhibit 3, previously referenced, for

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<sup>21</sup> Ultimately, DTPW did agree to Proterra's price adjustments for the first batch but could only issue the revised PO#1 in tandem with a corresponding reduction to PO#4 as the total encumbered amount would have exceeded the contract's maximum allocation.

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***Contract No. RFP-00456 Battery-Electric Buses and Charging System***

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the email that delivered the attachment.) A purchase requisition is an internal document that precedes a purchase order. A copy of the approved purchase order is provided to the vendor.

The internal document was sent to Proterra despite warnings on September 20, 2022, from DTPW's Chief of Procurement who advised against using the document due to fiscal year-end timing issues. The DTPW Chief of Procurement also clearly noted that this change in pricing would need to travel as an agenda item to the BCC. While stating that she would not be able to use this requisition, she advised that she would begin working on the contract modification and requested to be provided with all the supporting documents and justification. (Exhibit 10)

DTPW's internal requisition, based on Proterra's calculations, could be misinterpreted as approval for the PPI adjustment price increase. Sharing this document with Proterra appears to have been exactly that, as Proterra later cited the September 27<sup>th</sup> email as evidence of an agreement on the price adjustment. (Exhibit 11 – email from Proterra dated October 24, 2022, citing to an agreement confirmed on September 27, 2022.)

Bypassing standard protocol, the CFO sent the internal requisition directly to Proterra, excluding DTPW's Chief of Procurement who had previously advised against its use. This email created the impression the requisition was valid despite its later cancellation. Sharing internal documents with vendors is not an approved County practice.

**Finding 5: A purchase order was issued to the vendor based on unauthorized and inflated PPI adjustments timed to coincide with the vendor's quarterly earnings report.**

Emails obtained by the OIG reveal that Proterra pressured DTPW to expedite a revision to a purchase order in late October 2022. This urgency stemmed from Proterra's upcoming earnings report scheduled for November 2, 2022. DTPW, seemingly influenced by this pressure, finalized a revised purchase order on November 1, 2022, that included a substantial price increase exceeding \$3.9 million.

Emails from Proterra to DTPW's leadership team on October 24, 2022, impress upon the urgency of receiving the revised PO. The email was then forwarded to the DTPW Director imploring, *"Need your help please!"* (Exhibit 12) Three additional emails were sent from Proterra officials to DTPW's Chief of Procurement on October 31, 2022, stating the importance of receiving the revised PO. The Proterra official stated *that "we have earnings this week and this is critical to us."* (Exhibit 13)

**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
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The revised PO#1 was finalized and sent to Proterra on November 1, 2022, at 7:41 pm. (Exhibit 14) What was not sent to Proterra—at least not in that same email—was the revision to PO#4 that reduced the overall amount in tandem with the increase in PO#1.

The timing of these events is particularly noteworthy. Just one day after DTPW approved the revised PO#1 with the \$3.9 million adjustment, Proterra released its Q3 earnings report. Notably, the report highlighted Miami-Dade County's bus orders, which contributed to 45% (29 buses) of the quarter's overall bus deliveries.

The OIG emphasizes that county procurement procedures should not be influenced by a vendor's financial reporting schedule. Due diligence, including legal review and verification of calculations, is crucial to ensure the County receives fair value for its purchases. Bypassing these essential steps to meet a vendor's deadline is an unacceptable practice.

### **VIII. CONCLUSION & RECOMMENDATIONS**

Regarding the proposed agenda item that involves assignment of the Contract to Phoenix, modification of warranty periods, acceptance of 69 buses, and various administrative updates, the OIG has no objections. These are necessary housekeeping matters and the bankruptcy of Proterra has put the County (and other transit agencies) in a bind.

The OIG is troubled in the manner in which this Contract was managed. These actions are in the past and there is little opportunity for any remedial actions. As such, we make the limited recommendations below:

1. The OIG originally recommended (in the draft report) to amend Article 8 of the Contract to allow for the use of August 2018 (when unit pricing was finalized and Proterra signed the Contract) as an option for a Base Award Month.<sup>22</sup> The amendment would have also needed to allow for a different Future Award Month not currently authorized by the Contract. ***The Administration is proceeding with a confirmation purchase in the amount of \$5,150,046.66. The OIG trusts that***

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<sup>22</sup> The OIG certainly understands and appreciates the commercial implications on a price proposal submitted in 2017 and awarded some two years later in 2019 under the same terms and conditions. The County may be better served if it were to consider if the vendor is holding the price for fear of losing the potential contract, expecting a later opportunity to recoup any additional costs. In procurements where there are significant delays between the time price proposals are submitted and contracts are awarded, it may be beneficial for the County to consider commercial implications when expecting a successful outcome.

**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
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***the resolution and recommendation memorandum will be explicit as to the dollar amount and reason for confirming the expenditure.***

2. DTPW should seek to obtain a waiver from Phoenix for any remaining claims that it might have for the six buses not purchased. ***The Administration responded that, in consultation with the County Attorney's Office (CAO), it will include a release of claims in the Notice of Final Acceptance presented to Phoenix. The OIG will follow-up with DTPW and obtain a draft of the Notice of Final Acceptance.***
  
3. SPD should establish dedicated allowance accounts for PPI or similar inflationary adjustments. These could be included in the overall contract award amount but would be shown on the POs as a separate line item, thereby increasing transparency. Approval from SPD should be required in order to make payments from the dedicated allowance account. ***The Administration responded that it will assess the variety of contracts, pricing schedules, pricing adjustment methodologies, and have SPD work with the OIG and CAO to implement solutions for better controls and transparency.***

## **IX. POSTSCRIPT**

Proterra's bankruptcy negatively impacted bus repairs by straining supplier relationships and delaying DTPW's ability to acquire replacement and spare parts. DTPW was relying on warranty parts to be provided by Proterra and repeatedly raised concerns to Proterra about parts shortages, recurring bus failures, and incorrect part shipments. DTPW even requested Proterra keep more spare parts in Miami, especially for frequently failing components like gearboxes. But DTPW lacked its own set of spare parts to expedite repairs, while waiting on warranty repairs. The Contract included \$690,000 to purchase spare powertrains, yet none were purchased.

As of March 2024, DTPW reports no improvement in obtaining parts. Despite having two to three Phoenix technicians assisting daily, bus maintenance remains a challenge.

DTPW's March 29, 2024, *Bus Down Report* revealed a dramatic drop in Proterra bus availability, from 75% in May 2023 to just 22% by March 2024. Only 15 of 69 buses are currently operational. Some buses have been out of service for an alarming average of 94 days, with the longest downtime reaching 237 days. It is incumbent on the County to effectively manage this issue and find a workable solution.

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# MIAMI-DADE COUNTY

## OFFICE OF THE INSPECTOR GENERAL



## CONTRACT OVERSIGHT REPORT

### OIG SCHEDULES

- Schedule A – Chronology of Events (6 pages)
- Schedule B – Compendium of Purchase Orders Issued to Proterra, Inc. (1 page)
- Schedule C – Comparison of PPI Adjustment to Base Price (1 page)
- Schedule D – Fiscal Impact of PPI Calculations and Payments (1 page)
- Schedule E – Payments to Proterra under RFP-00456, as of 3/12/24 (2 pages)

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***Contract No. RFP-00456 Battery-Electric Buses and Charging System***

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**IG23-0007-0**  
**April 8, 2024**

**OIG Schedule A  
Chronology of Events**

Date	Description/Comment
10/21/2016	County issued RFP No. 00456 for Battery-Electric Transit Buses and Charging System for a minimum of 33, up to a maximum of 75 forty-foot (40') heavy duty battery-electric buses with a 175-mile minimum range and a minimum lifecycle of 12 years or 500,000 miles.
02/13/2017	Deadline for RFP responses. 3 Proposals received. 1 proposal deemed non-responsive.
05/03/2017	CSC conducted oral presentations, evaluation and score/rank remaining proposals. CSC's highest ranked proposal submitted by Proterra, Inc.
12/11/2017	Negotiations began with top ranked proposer, Proterra, Inc.
05/03/2018	Negotiations end.
08/30/2018	Proterra executed the contract.
06/28/2019	Mayor's award recommendation filed with the Clerk of the Board.
07/09/2019	Bid protest filed by New Flyer of America, Inc.
07/26/2019	Protest hearing held.
08/02/2019	Hearing officer denied protest.
10/03/2019	BCC adopted Resolution R-1041-19 approving Contract No. RFP-00456 to Proterra, Inc.
10/18/2019	County executed Contract. Contract award date.
12/10/2019	<p>Notice to Proceed (NTP#1) issued to Proterra for thirty-three (33) 40-foot bus and charger (including training) at \$898,000.00.</p> <p>Purchase Order POMT2000951 (PO#1) issued in the amount of \$29,634,000.00 for purchase of thirty-three (33) 40-foot low floor battery-electric buses and charger including training at \$898,000.00 each.</p> <p>12/10/2021 - PO#1 increased by \$29,422.35 (configuration changes)</p> <p>09/05/2022 - PO#1 increased by \$29,348.48 (conseal fees, 32 buses)</p> <p>11/01/2022 - PO#1 increased by \$3,933,672.28 to pay cost adjustment for PPI.</p> <p>(See Schedule B)</p>
12/12/2019	<p>Notice to Proceed (NTP#2) and Purchase Order POMT2001115 (PO#2) issued in the amount of \$4,089,715.00 to furnish and install charging systems at three (3) locations: Northeast, Central, and Coral Way depots.</p> <p>09/02/2021 – PO#2 increased by \$164,798.34 for design changes.</p> <p>(See Schedule B)</p>
12/24/2019	DTPW informed Proterra that the County will proceed with only 33 buses and 33 chargers.
01/22/2020	DTPW visited Proterra facility, Greenville, SC. Verbally placed hold on bus production (battery parity requested).
03/01/2020	The Governor of Florida issued Executive Order #20-52, declaring a State of Emergency for the State of Florida related to COVID-19/novel Coronavirus.

**OIG Schedule A  
Chronology of Events**

Date	Description/Comment
04/06/2020	Proterra declared force majeure citing impacts to production capacities due to workforce and supply chain disruptions.
01/21/2021	During Proterra facility visit DTPW advised Proterra to lift the hold. (Verbal)
02/05/2021	<p>Notice to Proceed (NTP#3) issued to purchase 42 chargers.</p> <p>03/01/2021 - Purchase Order POMT2101302 (PO#3) issued in the amount of \$3,796,800.00 for 42 electric bus chargers and ancillary equipment for a total of \$90,400.00 each.</p> <p>12/13/2022 PO#3 revised to increase unit price by \$7,341.95 to \$97,741.95 to reflect PPI increase. Quantity reduced from 42 to 38 to offset price increase.</p> <p>05/17/2023 – PO#3 revised to increase quantity of chargers by 4 from 38 to 42 at a revised unit price of \$93,288.07. Additional funding for chargers paid from allocation from Mayor’s Contract Modification.</p> <p>(See Schedule B)</p>
04/28/2021	<p>Proterra emailed DTPW an updated pricing proposal for the first 33 buses. This proposal does not include any PPI or reference to any PPI calculations.</p> <p>04/29/2021 – Proterra emailed DTPW an updated pricing proposal citing a minor update due to a two day variance.</p> <p>05/07/2021 – Proterra emailed DTPW an updated pricing proposal citing updated language and prices for the proposal.</p> <p>05/13/2021 – Proterra emailed DTPW an updated pricing proposal that now includes a PPI adjustment of 1.386% for the second order, 42 buses. The calculation made use of October 2019 as the base award month and December 2020 for the future award month. The first order, 33 buses, appears on this proposal with no PPI adjustment.</p> <p>05/14/2021 – Proterra emailed DTPW an updated pricing proposal with liquidated damages language removed.</p> <p>09/22/2021 – Proterra emailed DTPW an updated pricing proposal that includes previously approved deviations as well as additional modifications for the 32 and 42 units.</p> <p>09/24/2021 – Proterra emailed DTPW an updated pricing proposal that includes relief of the escape hatch tool.</p> <p>11/22/2021– Proterra emailed DTPW an updated pricing proposal that includes all modifications, including seats.</p>



**OIG Schedule A  
Chronology of Events**

Date	Description/Comment
	12/08/2021 – Proterra emailed DTPW a final pricing proposal and supporting attachment for the laptop removal.
	12/09/2021 – Proterra emails DTPW a revised pricing proposal to correct a mistake on the 12/08/2021 proposal pointed out by DTPW.
05/19/2021	Notice to Proceed (NTP #4) issued to purchase 42 production buses.
	09/01/2021 - Purchase Order TP-*2584 (PO#4) issued in the amount of \$34,151,334 for 42 electric buses for \$813,127.00 each.
	12/10/2021 – PO#4 increased by \$38,669.82 (configuration changes)
	09/25/2022 – PO#4 increased by \$38,519.88 (Conseal fees, 42 buses)
	11/01/2022 – PO#4 decreased by \$3,933,672.28 by revising unit price from \$814,964.85 to \$721,305.99. Funds re-allocated for use by PO#1 to offset PPI increase.
	12/13/2022 – PO#4 revised to increase unit price from \$721,305.99 to \$881,153.21 and required reduction in quantity from 42 to 34 to not exceed value of PO#4.
	04/04/2023 – PO#4 revised to add two buses per the Mayor’s funding authority approval at a unit price of \$833,848.76.
	(See Schedule B)
08/01/2021	New DTPW Director tenure starts.
08/13/2021	Pilot bus delivered.
01/19/2022	DTPW Deputy Director of Administration & Finance (including Procurement) resigned from County.
04/11/2022	Proterra provided Notification of Price Adjustment citing a PPI period of August 2018 through February 2022. (See Exhibit 2a)
04/14/2022	Proterra submitted a pricing adjustment letter to DTPW (dated April 11, 2022).
05/17/2022	Proterra submitted <i>Update #1 to Notification of Price Adjustment</i> that details the PPI calculations. (See Exhibit 2b)
08/02/2022	Proterra delivered bus #2 through #7. (08/02/2022 – 08/29/2022)
08/15/2022	Proterra submitted <i>Update #2 to Notification of Price Adjustment</i> . (See Exhibit 2c)
08/26/2022	Proterra requested DTPW’s written acknowledgement for the PPI memos, that DTPW agrees to the pricing increases, and that a revised PO is forthcoming.
09/02/2022	Proterra delivered bus #8 through #30. (09/02/2022 - 09/30/2022)
09/06/2022	Proterra requested DTPW sign and return <i>Update #2 to Notification of Price Adjustment</i> .
09/09/2022	Proterra advised that DTPW will be processing a change order for the 33 buses and chargers the following week and the balance later possibly requiring board approval.
09/14/2022	DTPW CFO, based on Proterra’s <i>Update #2 to Notification of Price Adjustment</i> , provided Proterra a PPI template for calculating PPI for buses/chargers. The template calculation periods included August 2018 through February 2022.

**OIG Schedule A  
Chronology of Events**

Date	Description/Comment
09/14/2022	DTPW Chief of Procurement informed DTPW CFO and DTPW Field Test Engineer that BCC approval is required for the estimated PPI adjustment (\$72,176,332 to \$76.3 million). (See Exhibit 10)
09/15/2022	DTPW advised Proterra "We have received confirmation that Board action will be required to add the additional funds to the contract as a result of the PPI adjustments for the last 42 vehicles." (See Exhibit 3)
09/16/2022	Proterra submitted <i>Update #3 to Notification of Price Adjustment</i> . (See Exhibit 2d)
09/19/2022	DTPW prepared an INFORMS requisition to initiate approval process for an increase of \$3,946,035.14 to cover the PPI increase for PO#1. This request created Requisition #10618.
09/20/2022	DTPW Chief of Procurement informed DTPW staff that requisition #10618 cannot be used due to timing and "post edit errors due to the fiscal year." (See Exhibit 10)
09/27/2022	DTPW emailed Proterra an approved requisition (#10618), supported by <i>Update #3</i> PPI figures, for the 33 buses and chargers. (See Exhibit 9)
10/01/2022	Proterra delivered buses #31 through #36. (10/01/2022 - 10/20/2022)
10/24/2022	Proterra emailed DTPW noting they came to an agreement that was confirmed by the DTPW CFO via email on September 27. (See Exhibit 11)
10/24/2022	DTPW Director emailed DTPW staff "All- We need to get this resolved. This has been an outstanding request for some time, so whatever documentation that is needed should be provided to process immediately." (See Exhibit 11)
10/24/2022	Proterra VP of Sales emailed DTPW Director "Need your help please!" DTPW Director replied "On it." (See Exhibit 12)
10/26/2022	On request by DTPW, CAO opined that the NTP and Purchase Order for the 33 buses and chargers were issued in December 2019, within the 180 day period of contract commencement in which the provider was required to keep its price firm. As such, no adjustment for PPI should be made for that Purchase Order.
10/28/2022	CAO revised opinion that PPI is allowable after being informed that County instructed Proterra to hold off on delivery of the buses due to the County considering the use of an updated battery for the bus and the hold on delivery exceeded 180 days.
10/31/2022	Proterra, after receiving a copy of the DTPW internal requisition, advised DTPW "Greatly appreciate all efforts that your team can make to address this soonest as we have earnings this week and this is critical to us." (See Exhibit 13)
11/01/2022	DTPW emailed Proterra a revised PO#1 for the 33 buses that provided for PPI on the 33 buses. (See Exhibit 14)
11/02/2022	Proterra reported Q3 2022 earnings. Earnings mentioned that new electric transit bus deliveries in Q3 included Miami-Dade Transit, which received the first 29 of its total order of 75 electric transit buses...approximately 45% of Proterra electric transit buses were delivered to a single customer, Miami-Dade County.
11/14/2022	First bus invoices received from Proterra.  11/14/2022 – 2 invoices received, each for 1 bus at \$915,313.35.  11/15/2022 – 14 invoices received, each for 1 bus at \$915,313.35.

**OIG Schedule A  
Chronology of Events**

Date	Description/Comment
	11/18/2022 – 2 invoices received, each for 1 bus at \$915,313.35.  11/28/2022 – 2 invoices received, each for 1 bus at \$915,313.35.  11/29/2022 – 2 invoices received, each for 1 bus at \$915,313.35.
11/15/2022	Proterra delivered buses #37 through #43. (11/15/2022 – 11/23/2022)
12/07/2022	1 invoice received for 1 bus at \$915,313.35.
12/08/2022	Proterra delivered buses #44 through #63. (12/08/2022 – 12/30/2022)
12/21/2022	DTPW CFO submitted a request for a \$7,022,234 contract modification to pay PPI for entire order of 75 buses and chargers. (See Exhibit 7)
01/06/2023	1 invoice received from Proterra for 1 bus at \$881,153.21.
01/17/2023	01/17/2023 – 1 invoice received for 1 bus \$915,313.35.  01/18/2023– 6 invoices received from Proterra, two invoices each for 1 bus at \$915,313.35. Three invoices, each for 1 bus at \$881,153.21. One invoice for \$3,389,886.06 for 33 Chargers, each for \$102,723.82.  01/18/2023- 1 invoice received from Proterra for 38 chargers, each for \$97,741.95
01/30/2023	Payment of \$22,882,833.75 to Proterra for 25 buses.
02/06/2023	02/06/2023 – 3 invoices received, each for 1 bus at \$915,313.35.  02/07/2023 – 3 invoices received, each for 1 bus at \$881,153.21.  02/08/2023 – 1 invoice received for 1 bus at \$881,153.21.  02/22/2023 – 3 invoices received, each for 1 bus at \$881,153.21.
02/10/2023	Payment of \$915,313.35 to Proterra for 1 bus.
02/13/2023	Payment of \$2,745,940.05 to Proterra for 3 buses.
02/17/2023	DTPW CFO tenure ends with DTPW.
02/22/2023	Proterra delivered buses #64 and #65. (02/22/2023 – 02/27/2023)
02/23/2023	SPD Director requested that DTPW provide actual electric bus order dates to validate DTPW’s PPI calculations. (See Exhibit 8)
02/24/2023	DTPW Field Test Engineer confirmed to SPD the decision for same battery pack for pilot bus and production buses was made on January 21, 2021.
03/06/2023	DTPW emailed Proterra revised PPI calculations and cites contract language noting October 18, 2019, is the contract award date.
03/09/2023	03/09/2023 – 3 invoices received, each for 1 bus at \$881,153.21.  03/14/2023 – 1 invoice received for 1 bus at \$881,153.21.  03/17/2023 – 2 invoices received, each for 1 bus at \$881,153.21.  03/21/2023 – 17 invoices received, each for one bus at \$881,153.21.
03/16/2023	SPD submitted a request for Mayoral approval of Contract Modification to increase by \$1,701,621.48. (See Exhibit 5)

**OIG Schedule A  
Chronology of Events**

Date	Description/Comment
03/17/2023	SPD provided calculations supporting \$1,701,621.48 modification to DTPW. (See Exhibit 6)
03/20/2023	DTPW Director provided concurrence for the modification memo. (See Exhibit 4)
03/21/2023	Payment to Proterra of \$915,313.35 to Proterra for 1 bus.
03/22/2023	Payment to Proterra of \$915,313.35 to Proterra for 1 bus.
03/23/2023	Payment of \$10,607,998.66 to Proterra for 12 buses.
03/24/2023	Payment of \$17,623,064.20 to Proterra for 20 buses.
03/24/2023	Mayor approved "Request for Modification of Contract for Battery-Electric Transit Buses and Charging System" to increase allocation in the amount of \$1,701,621.48 due to PPI additions "to pay for the 75 Battery-Electric Buses and installation of charging systems from Proterra, Inc. (Proterra) for DTPW's three maintenance garages at an adjusted rate."
03/27/2023	Proterra delivered buses #66 through #69. (03/27/2023 – 3/31/2023)
04/04/2023	DTPW emailed Proterra a revised PO#1 to add two buses per the Mayor's funding authority approval at a unit price of \$833,848.76.
04/14/2023	1 invoice received from Proterra, for 1 bus at \$881,153.21.
05/09/2023	05/09/2023 – 1 invoice received for 1 bus at \$881,153.21.  05/12/2023 – 1 invoice received for 1 bus at \$881,153.21.  05/16/2023 – 1 invoice received for 1 bus at \$833,848.76.
05/30/2023	1 invoice received from Proterra for 4 chargers, \$93,288.07 each.
05/31/2023	Payment of \$3,714,194.10 to Proterra for 38 chargers, \$97,471.95 each.
06/01/2023	Payment of \$3,389,886.06 to Proterra for 33 chargers, \$102,723.82 each.
06/02/2023	Payment of \$373,152.28 to Proterra for 4 chargers, \$93,288.07 each.
06/08/2023	1 invoice received from Proterra for 1 bus at \$833,848.76.
06/22/2023	Invoice received from Proterra for the pilot bus in the amount of \$946,529.84.
06/23/2023	Payment of \$1,762,306.42 to Proterra for 2 buses.
06/29/2023	Payment to Proterra of \$833,848.76 to Proterra for 1 bus.
06/30/2023	Payment to Proterra of \$946,529.84 to Proterra for 1 pilot bus.
07/06/2023	Payment to Proterra of \$833,848.76 to Proterra for 1 bus.
07/07/2023	Payment to Proterra of \$881,153.21 to Proterra for 1 bus.
08/07/2023	Proterra voluntarily filed for protection under Chapter 11 of the U.S. Bankruptcy Code.
01/12/2024	Phoenix Motorcars Inc. announced acquisition of Proterra's transit business.
02/15/2024	Raleigh-Durham Airport Authority Board Operations Committee proposal to purchase the remaining Miami-Dade six buses from Phoenix in the amount of \$3,909,000 due to "funding shortfall issues." The Committee approved the proposal.
02/20/2024	Raleigh News & Observer reported "Raleigh-Durham International Airport is getting a deal on six electric buses, thanks to a transit agency in Florida that ordered more than it could pay for...Miami-Dade County planned to buy 75 electric buses from California-based Proterra but took delivery on only 69 of them."

**OIG Schedule B**  
**Compendium of Purchase Orders Issued to Proterra, Inc.**  
**Compiled From Information Contained In Purchase Orders**

Date	NTP #1 - 33 Buses/Chargers and Training		NTP #2 - Charging System		NTP #3 - 42 Chargers		NTP #4 - 42 Buses		Spare Parts	Total Authorized	
10/03/19	Contract Allocation 29,634,000.00		Contract Allocation 4,089,715.00		Contract Allocation 3,796,800.00		Contract Allocation 33,709,200.00		946,607.00	72,176,322.00	
Date	Description	Qty	Unit Price	Description	Qty	Unit Price	Description	Qty	Unit Price	Unencumbered Balance	
Original Purchase Orders Issued											
12/10/19	Bus/Charger	33	898,000.00							42,542,322.00	
	Total		29,634,000.00	Charging System	LS	4,089,715.00				38,452,607.00	
03/01/21				Total		4,089,715.00	Chargers <sup>(1)</sup>	42	90,400.00	34,655,807.00	
05/19/21									3,796,800.00		
							Bus <sup>(2)</sup>	42	813,127.00	504,473.00	
							Total		34,151,334.00		
Revisions to Purchase Orders											
09/02/21				Design Modification	LS	164,798.34					
				Total		164,798.34				339,674.66	
				Increase/(Decrease)		164,798.34					
12/10/21	Pilot Bus <sup>(3)</sup> /Charger	1	923,374.35				Bus <sup>(2)</sup>	42	814,047.10		
	Bus <sup>(4)</sup> /Charger	32	898,126.50								
	Total		29,663,422.35						34,189,978.20		
	Increase/(Decrease)		29,422.35				Increase/(Decrease)		38,644.20	271,608.11	
09/25/22	Pilot Bus <sup>(4)</sup>	1	832,974.35				Bus <sup>(7)</sup>	42	814,964.85		
	Bus <sup>(5)</sup>	32	808,643.64								
	Charger <sup>(6)</sup>	33	90,400.00				Total		34,228,523.70		
	Total		29,692,770.83				Increase/(Decrease)		38,545.50	203,714.13	
	Increase/(Decrease)		29,348.48								
11/01/22	Pilot Bus <sup>(8)</sup>	1	946,529.84				Bus <sup>(9)</sup>	42	721,305.99		
	Bus <sup>(8)</sup>	32	915,313.35								
	Charger <sup>(8)</sup>	33	102,723.82				Total <sup>(RE)</sup>		30,294,851.58		
	Total <sup>(RE)</sup>		33,626,443.10				Increase/(Decrease)		(3,933,672.28)	203,714.13	
	Increase/(Decrease)		3,933,672.28								
12/13/22							Chargers <sup>(10)</sup>	38	97,741.95		
							Total		3,714,194.10		
							Increase/(Decrease)	(4)	(82,605.90)	286,320.03	
12/31/22							Bus <sup>(11)</sup>	34	881,153.21		
							Total		29,959,209.14		
							Increase/(Decrease)	(8)	(335,642.44)	621,962.47	
03/24/23	Mayoral Contract Modification									1,701,621.48	2,323,583.95
03/20/23							Bus <sup>(12)</sup>	2	833,848.76		
							Total		1,667,697.52	655,886.43	
05/17/23							Chargers <sup>(13)</sup>	4	93,288.07		
							Total		373,152.28	282,734.15	

NOTES:

- (1) Split from Bus/Charger package
- (2) Modifications and PPI included
- (3) Modifications adjustments
- (4) Modifications adjustments

- (5) Price adjusted to separate chargers
- (6) Chargers moved to separate line
- (7) Modifications and PPI included
- (8) PPI adjustments added

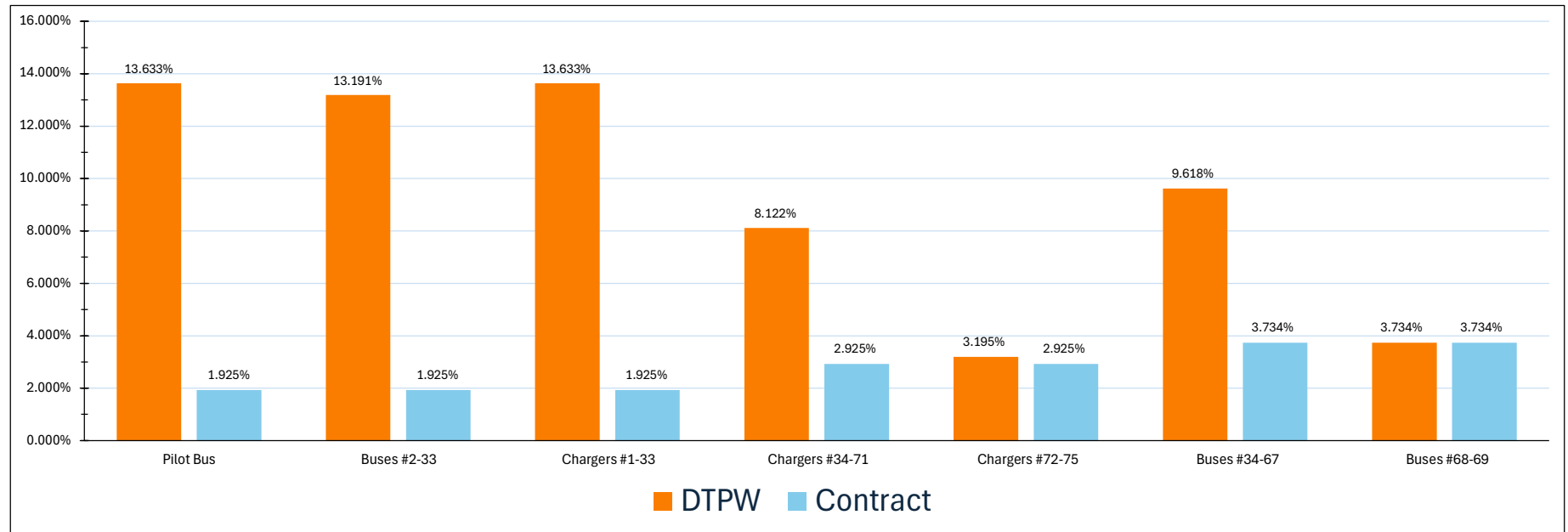
- (9) Price reduced to avoid exceeding available balance
- (10) Reduced 4 chargers to not exceed Purchase Order value
- (11) Eliminated 8 buses to not exceed available allocation
- (12) 2 additional buses paid with funding from Contract Modification
- (13) Remaining installed chargers paid (10/19-04/21)
- (RE) Rounding errors



**OIG Schedule D**  
**Fiscal Impact of PPI Calculations and Payments**  
**Amount Paid by DTPW versus Contract Allowable Amount**

Description	Base Contract		Adjusted Base Unit Price <sup>(1)</sup>	DTPW Price Paid Including PPI				Contract Price with Modifications and Allowable PPI			Overpayments		PPI Amounts Only		
	Qty	Unit Price		Unit Price	PPI%	Actual	Extended	Unit Price	PPI%	Extended	Per Unit	Extended	DTPW Paid	Allowed	Overpayment
<b>Purchase Order #1 - 33 Buses/Chargers</b>															
Pilot Bus	1	\$807,600.00	\$832,974.25	\$946,529.84	13.633%	1	\$946,529.84	\$849,005.32	1.925%	\$849,005.32	(\$97,524.52)	(\$97,524.52)	\$113,555.59	\$16,031.07	(\$97,524.52)
Bus	32	\$807,600.00	\$808,643.64	\$915,313.35	13.191%	32	\$29,290,027.20	\$824,206.45	1.925%	\$26,374,606.40	(\$91,106.90)	(\$2,915,420.80)	\$3,413,430.72	\$498,009.92	(\$2,915,420.80)
Charger	33	\$90,400.00	\$0.00	\$102,723.82	13.633%	33	\$3,389,886.06	\$92,139.80	1.925%	\$3,040,613.40	(\$10,584.02)	(\$349,272.66)	\$406,686.06	\$57,413.40	(\$349,272.66)
						Subtotal	\$33,626,443.10			Subtotal	\$30,264,225.12	Subtotal (\$3,362,217.98)	\$3,933,672.37	\$571,454.39	(\$3,362,217.98)
<b>Purchase Order #3 42 Chargers</b>															
Charger	42	\$90,400.00	\$0.00	\$97,741.95	8.122%	38	\$3,714,194.10	\$93,044.50	2.925%	\$3,535,691.00	(\$4,697.45)	(\$178,503.10)	\$278,994.10	\$100,491.00	(\$178,503.10)
Charger <sup>(2)</sup>				\$93,288.07	3.195%	4	\$373,152.28	\$93,044.50	2.925%	\$372,178.00	(\$243.57)	(\$974.28)	\$11,552.28	\$10,578.00	(\$974.28)
						Subtotal	\$4,087,346.38			Subtotal	\$3,907,869.00	Subtotal (\$179,477.38)	\$290,546.38	\$111,069.00	(\$179,477.38)
<b>Purchase Order #4 - 42 Buses</b>															
Bus	42	\$802,600.00	\$803,836.39	\$881,153.21	9.618%	34	\$29,959,209.14	\$833,848.76	3.734%	\$28,350,857.84	(\$47,304.45)	(\$1,608,351.30)	\$2,628,771.88	\$1,020,420.58	(\$1,608,351.30)
Bus <sup>(3)</sup>		\$802,600.00	\$803,836.39	\$833,848.76	3.734%	2	\$1,667,697.52	\$833,848.76	3.734%	\$1,667,697.52	\$0.00	\$0.00	\$60,024.74	\$60,024.74	\$0.00
						Subtotal	\$31,626,906.66			Subtotal	\$30,018,555.36	Subtotal (\$1,608,351.30)	\$2,688,796.62	\$1,080,445.32	(\$1,608,351.30)
						Total	\$69,340,696.14			Total	\$64,190,649.48	Total (\$5,150,046.66)	\$6,913,015.37	\$1,762,968.71	(\$5,150,046.66)

Notes (1) Adjusted for modifications requested by DTPW (2) Remaining 4 Chargers paid after Mayoral approval of Contract Modification. (3) Additional and paid after Mayoral approval of PPI Contract Modification.



**OIG Schedule E**  
**Payments to Proterra under RFP-00456 (As of 3/12/24)**

Purchase Order	Invoice #	Invoice Amount	Invoice Receipt Date	Payment Date	Payment Amount	Description
<b>Purchase Order # 1 – 1 Pilot Bus, 32 Buses and 33 Chargers</b>						
TP-0940	2001413	\$915,313.35	11/14/2022	01/30/2023	\$915,313.35	Bus #E22126
TP-0940	2001405	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22121
TP-0940	2001396	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22102
TP-0940	2001403	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22118
TP-0940	2001407	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22123
TP-0940	2001400	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22107
TP-0940	2001402	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22113
TP-0940	2001408	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22124
TP-0940	2001401	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22108
TP-0940	2001409	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22104
TP-0940	2001398	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22105
TP-0940	2001399	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22106
TP-0940	2001410	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22101
TP-0940	2001397	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22103
TP-0940	2001406	\$915,313.35	11/15/2022	01/30/2023	\$915,313.35	Bus #E22122
TP-0940	2001414	\$915,313.35	11/18/2022	01/30/2023	\$915,313.35	Bus #E22114
TP-0940	2001423	\$915,313.35	11/28/2022	01/30/2023	\$915,313.35	Bus #E22131
TP-0940	2001424	\$915,313.35	11/28/2022	01/30/2023	\$915,313.35	Bus #E22132
TP-0940	2001428	\$915,313.35	11/29/2022	02/10/2023	\$915,313.35	Bus #E22116
TP-0940	2001429	\$915,313.35	11/29/2022	01/30/2023	\$915,313.35	Bus #E22128
TP-0940	2001404	\$915,313.35	12/07/2022	01/30/2023	\$915,313.35	Bus #E22119
TP-0940	2001412	\$915,313.35	11/18/2022	01/30/2023	\$915,313.35	Bus #E22125
TP-0940	2001411	\$915,313.35	11/14/2022	01/30/2023	\$915,313.35	Bus #E22110
TP-0940	2001441	\$915,313.35	01/17/2023	01/30/2023	\$915,313.35	Bus #E22109
TP-0940	2001454	\$915,313.35	01/18/2023	01/30/2023	\$915,313.35	Bus #E22130
TP-0940	2001453	\$915,313.35	01/18/2023	01/30/2023	\$915,313.35	Bus #E22117
TP-0940	2001467	\$915,313.35	02/06/2023	02/13/2023	\$915,313.35	Bus #E22111
TP-0940	2001475	\$915,313.35	02/06/2023	02/13/2023	\$915,313.35	Bus #E22129
TP-0940	2001486	\$915,313.35	02/06/2023	02/13/2023	\$915,313.35	Bus #E22127
TP-0940	2001462	\$915,313.35	03/14/2023	03/21/2023	\$915,313.35	Bus #E22120
TP-0940	2001442	\$915,313.35	03/17/2023	03/22/2023	\$915,313.35	Bus #E22112
TP-0940	2001461	\$915,313.35	03/17/2023	03/23/2023	\$915,313.35	Bus #E22115
TP-0940	2001485	\$946,529.84	06/22/2023	06/30/2023	\$946,529.84	Pilot Bus #21189
TP-0940	1053077	\$3,389,886.06	01/18/2023	06/01/2023	\$3,389,886.06	33 Chargers
<b>TP-0940 Total Paid \$33,626,443.10</b>						
<b>Purchase Order # 2 – Charging System</b>						
PO*115	1020776	\$182,433.25	11/11/2020	12/10/2020	\$182,433.25	Pay Request #1
PO*115	1020981	\$65,629.80	12/11/2020	12/31/2020	\$65,629.80	Pay Request #2
PO*115	1021852	\$188,940.75	01/06/2021	02/02/2021	\$188,940.75	Pay Request #3
PO*115	1023199	\$63,731.70	02/01/2021	02/25/2021	\$63,731.70	Pay Request #4
TP-0938	1025110	\$16,773.00	05/07/2021	05/12/2021	\$16,773.00	Pay Request #5
TP-0938	1027556	\$12,981.00	09/29/2021	10/08/2021	\$12,981.00	Pay Request #6
TP-3653	1030544	\$157,966.48	01/19/2022	02/09/2022	\$157,966.48	Pay Request #7
TP-3653	1034702	\$9,804.00	12/17/2021	02/16/2022	\$9,804.00	Pay Request #8
TP-3653	1034750	\$168,946.58	12/17/2021	03/18/2022	\$168,946.58	Pay Request #9
TP-3653	1034769	\$159,109.80	04/29/2022	05/13/2022	\$159,109.80	Pay Request #10
TP-3653	1035051	\$143,836.56	06/13/2022	06/24/2022	\$143,836.56	Pay Request #11
TP-3653	1037302	\$422,483.12	07/07/2022	07/13/2022	\$422,483.12	Pay Request #12



Purchase Order	Invoice #	Invoice Amount	Invoice Receipt Date	Payment Date	Payment Amount	Description
TP-3653	1039128	\$724,842.72	08/08/2022	08/24/2022	\$724,842.72	Pay Request #13
TP-3653	1039254	\$617,566.50	08/23/2022	08/26/2022	\$617,566.50	Pay Request #14
TP-3653	1045089	\$6,214.90	06/21/2023	06/28/2023	\$6,214.90	Pay Request #15
TP-3653	1045686	\$354,292.05	09/20/2022	06/30/2023	\$354,292.05	Pay Request #16
TP-10163	1047717	\$199,139.95	11/01/2023	11/10/2023	\$199,139.95	Pay Request #17
TP-10163	1049297	\$523,222.95	11/01/2023	11/01/2023	\$523,222.95	Pay Request #18
TP-10163	1052361	\$25,360.25	10/19/2023	12/04/2023	\$25,360.25	Pay Request #19
Multiple	1066404	\$211,237.97	12/14/2023	03/12/2024	\$211,237.97	Pay Request #20
<b>PO*115, TP-0938, TP-3653, TP-10163 Total Paid \$4,254,513.33</b>						
<b>Purchase Order # 3 – 42 Chargers</b>						
TP-0941	1053078	\$3,714,194.10	01/18/2023	05/31/2023	\$3,714,194.10	38 Chargers
TP-0941	1053079	\$373,152.28	05/30/2023	06/02/2023	\$373,152.28	4 Chargers
<b>TP-0941 Total Paid \$4,087,346.38</b>						
<b>Purchase Order # 4 – 36 Buses</b>						
TP-2584	1052587	\$881,153.21	01/06/2023	03/23/2023	\$881,153.21	Bus #E22142
TP-2584	1053081	\$881,153.21	01/18/2023	03/23/2023	\$881,153.21	Bus #E22139
TP-2584	1053080	\$881,153.21	01/18/2023	03/23/2023	\$881,153.21	Bus #E22149
TP-2584	1053082	\$881,153.21	01/18/2023	03/23/2023	\$881,153.21	Bus #E22137
TP-2584	1054171	\$881,153.21	02/07/2023	03/23/2023	\$881,153.21	Bus #E22161
TP-2584	1054172	\$881,153.21	02/07/2023	03/23/2023	\$881,153.21	Bus #E22157
TP-2584	1054173	\$881,153.21	02/07/2023	03/23/2023	\$881,153.21	Bus #E22155
TP-2584	1052953	\$881,153.21	02/08/2023	03/23/2023	\$881,153.21	Bus #E22135
TP-2584	1054211	\$881,153.21	02/22/2023	03/23/2023	\$881,153.21	Bus #E22160
TP-2584	1054213	\$881,153.21	02/22/2023	03/23/2023	\$881,153.21	Bus #E22143
TP-2584	1054212	\$881,153.21	02/22/2023	03/23/2023	\$881,153.21	Bus #E22151
TP-2584	1056309	\$881,153.21	03/09/2023	03/24/2023	\$881,153.21	Bus #E22163
TP-2584	1056307	\$881,153.21	03/09/2023	03/24/2023	\$881,153.21	Bus #E22152
TP-2584	1056308	\$881,153.21	03/09/2023	03/24/2023	\$881,153.21	Bus #E22153
TP-2584	1056820	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22146
TP-2584	1055645	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22156
TP-2584	1056822	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22158
TP-2584	1056821	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22165
TP-2584	1056826	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22166
TP-2584	1054688	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22145
TP-2584	1054687	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22140
TP-2584	1052239	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22133
TP-2584	1054563	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22162
TP-2584	1054561	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22150
TP-2584	1052309	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22136
TP-2584	1052372	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22144
TP-2584	1052308	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22134
TP-2584	1054562	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22154
TP-2584	1054560	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22148
TP-2584	1054558	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22141
TP-2584	1054559	\$881,153.21	03/21/2023	03/24/2023	\$881,153.21	Bus #E22147
TP-2584	1059578	\$881,153.21	05/09/2023	06/23/2023	\$881,153.21	Bus #E22169
TP-2584	1059689	\$881,153.21	05/12/2023	06/23/2023	\$881,153.21	Bus #E22170
TP-2584	1061119	\$833,848.76	06/08/2023	06/29/2023	\$833,848.76	Bus #E22168
TP-2584	1059915	\$833,848.76	05/16/2023	07/06/2023	\$833,848.76	Bus #E22167
TP-2584	1058375	\$881,153.21	04/14/2023	07/07/2023	\$881,153.21	Bus #E22138
<b>TP-2584 Total Paid \$31,626,906.66</b>						
<b>Total Invoices</b>		<b>\$73,595,209.47</b>		<b>Total Payments</b>	<b>\$73,595,209.47</b>	

Source: IWA, INFORMS, DTPW Records

# MIAMI-DADE COUNTY

## OFFICE OF THE INSPECTOR GENERAL



### CONTRACT OVERSIGHT REPORT

### EXHIBITS

- Exhibit 1 – Contract RFP-00456, Article 8 Pricing (1 page)
- Exhibit 2a – Proterra Notification of Price Adjustment (3 pages)
- Exhibit 2b – Update #1 to Notification of Price Adjustment (3 pages)
- Exhibit 2c – Update #2 to Notification of Price Adjustment (4 pages)
- Exhibit 2d – Update #3 to Notification of Price Adjustment (4 pages)
- Exhibit 3 – Email Thread Re: PPI Adjustment, 9/14/22 - 9/27/22 (6 pages)
- Exhibit 4 – Email Thread Re: Mayoral Delegated Authority, 3/16/23 - 3/20/23 (2 pages)
- Exhibit 5 – Request for Modification of Contract, approved 3/24/23 (2 pages)
- Exhibit 6 – SPD Worksheet on PPI Calculations, generated on 2/24/23 (1 page)
- Exhibit 7 – New Modification Request, 12/22/22 (4 pages)
- Exhibit 8a – Email Thread Re: Proterra, PPI Price calculations, 2/23/23 - 3/10/23 (5 pages)
- Exhibit 8b – Email Thread Re: Electric Buses – Increase, 2/24/23 - 3/13/23 (5 pages)
- Exhibit 9 – Requisition #10618 (1 page)
- Exhibit 10 – Email Thread Re: Requisition #10618, 9/14/22 - 9/20/22 (4 pages)
- Exhibit 11 – Email Thread Re: Urgent – Change Order Progress, 10/24/22 (2 pages)
- Exhibit 12 – Email Thread Re: Urgent – Change Order Progress, 10/24/22 (2 pages)
- Exhibit 13 – Email Thread Re: PPI PO, 10/31/22 (2 pages)
- Exhibit 14 – Email Re: Revised Purchase Order TP 0940, 11/1/22 (1 page)
- Exhibit 15 – Email Re: Production Units, 3/29/22 (1 page)

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***Contract No. RFP-00456 Battery-Electric Buses and Charging System***

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**IG23-0007-0**  
**April 8, 2024**

**Contract RFP-00456**  
**ARTICLE 8. PRICING**

(Excerpts from Contract pages 5 and 6 combined on single page)

**ARTICLE 8. PRICING**

Awarded prices shall be the Base Order Price and Customer Configurable Options (Attachment C and D), and shall remain firm and fixed for one hundred- eighty (180) days after contract award. After the initial 180 day firm and fixed price period, the price shall be calculated based on the formula below, which utilizes the U.S. Department of Labor/Bureau Of Labor Statistics Producer Price Index (PPI) Category 1413, "Trucks and Bus Bodies - <http://data.bls.gov/timeseries/WPU1413>

PPI Index: Future Award Month	141.1
Less PPI Index: Base Award Month	137.6
Equals Index Point Change	3.5

Index Percent Change

Index Point Change	3.5
Divided by PPI Index: Base Award Month	137.6
Equals	0.0254
Results Multiplied by 100	0.0254 x 100
Equals to a Percent Change of:	2.54%

Base Order Price	\$1,000.00
Plus Percent Change (2.54% x \$1,000)	<u>25.44</u>
Revised Price for Future Order	\$1,025.44

The change in this index will be used to adjust the Base Order Prices. However, in no event will the result in a price increase be greater than five percent per year above the Base Order Price.

**Example:**

Agency awarded its contract in July 2003, and has received its base order of buses. In August 2004, agency elects to purchase more buses for delivery in 2005. The published data for PPI-Category 1413 shows an index value of 141.1 in August 2004 (Future Award Month). The index

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Miami-Dade County, FL

RFP No. 00456

for July 2003 (Base Award Month) was 137.6. The percentage change in the index values from July 2003 to August 2004 would be 2.54%. The buses ordered in August 2004 would be priced 2.54% higher than the base award price. This example assumes that the August 2004 order contained no significant equipment modification when compared with the original order.

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11 APR 2022

Eulouis Cleckly, CEO  
Miami Dade Transit (MDT)  
701 NW 1st Court  
Miami, Florida 33142

**Subject: Notification of Price Adjustment for Proterra ZX5+ buses**

Dear Eulois,

Thank you for being a valued Proterra partner as we work to deliver clean, quiet transportation for all. Our customers are our most important asset, and we are grateful to be your battery electric bus manufacturer of choice. Although we face challenges as an industry as we all recover from the pandemic, we continue to see historic funding, momentum, and excitement building around transit fleet electrification.

The pandemic, coupled with a worldwide resin shortage, has had several adverse impacts on the global supply chain. From a logistics standpoint, we have seen significant shipment delays in our material supply (both domestically and internationally) due to increased port congestion. The resin shortage has caused significant raw material and end component shortages throughout our entire industry. While Proterra has taken several mitigating actions such as paying premium freight, expedite, and secondary market broker fees to maintain continuous production and on-time deliveries, the net impact of these endeavors has driven up our costs significantly.

Due to our excellent working relationship with Miami Date Transit (MDT), to date Proterra has endeavored to hold the base bus pricing as close to that which was proposed in our February 2017 Request for Proposal (RFP) proposal submission. However, since the initial 2017 RFP, costs for bus manufacturing have increased in excess of 25% as shown by the relevant PPI. For the first order of thirty-three buses and chargers ("First Batch Order"), Proterra has not adjusted the base bus pricing except for mutually agreed upon configuration deviations from the initial award. For the most recent forty-two (42) bus and charger order (the "Second Batch Order"), Proterra provided an updated price at the time of the order. Due to inflation, our costs have continued to increase, even since we repriced the Second Batch Order. As such, we are unable to continue to hold our prices at 2017 levels. At this time and as further detailed below and in Attachment 1, we are providing notice that Proterra is instituting a price adjustment on both the First Batch Order and the Second Batch Order.

Pursuant to Article 8 of Battery-Electric Transit Buses and Charging System Contract No.RFP-000456, the prices for the Base Order Price and Customer Configurable Options may be modified using the US Department of Labor/Bureau of Labor Statistics Producer Price Index (PPI) Category 1413 "Truck and Bus Bodies." Please see below for updated pricing based on PO# TP-0000000940 Rev 1 for 33 bus units and charging units for the First Batch Order, and PO# TP-0000002584 Rev 1 for 42 bus units and PO# POMT2101302 for 42 charging units for

Proterra Confidential Information

Headquarters  
1815 Rollins Road, Burlingame, CA 94010

East Coast Manufacturing  
1 Whitlee Court, Greenville, SC 29607

West Coast Manufacturing  
383 Cheryl Lane, City of Industry, CA 91789



# PROTERRA

the Second Batch Order. Adjustments were calculated using the Base Award Month of August 2018.

## First Batch Order:

Current Pricing on MDT Purchase Order including the latest agreed upon revisions:

### **Current Pricing on PO# TP-0000000940**

-Unit Price 40' ZX5+ Bus DuoPower (pilot)	\$832,974.35
-Unit Price 40' ZX5+ Bus DuoPower (production)	\$807,726.50
-Unit Price Charger Equipment	\$90,400.00
-Extended price 33 units (bus and charger)	<b>\$29,663,422.35</b>

## Second Batch Order:

### **Current Pricing on PO# TP-0000002584 and PO# POMT2101302**

-Unit Price 40' ZX5+ Bus DuoPower	\$814,047.71
-Unit Price Charger Equipment	\$90,400.00
-Extended Price for 42 units (bus and charger)	<b>\$37,986,803.82</b>

Pricing with PPI adjustments to last published rated (Feb 2022) and in accordance with contract limit of five percent (5%) per year as shown in Attachment 1 hereto:

### **Adjusted Pricing on First Batch Order**

- Unit Price for Bus Pilot (1 unit)	\$942,913.65
- Unit Price for Bus Production per unit (32 units)	\$914,333.48
- Unit Price for Charger Equipment (33 units)	\$102,331.35
- Extended price for 33 units (Bus and Charger)	<b>\$33,578,519.87</b>

### **Adjusted Pricing on Second Batch Order**

-Unit Price 40' ZX5+ Bus DuoPower	\$914,333.48
-Unit Price Charger Equipment	\$102,331.35
-Extended Price for 42 Bus units	<b>\$38,402,006.36</b>

## Proterra Confidential Information

Headquarters  
1815 Rollins Road, Burlingame, CA 94010

East Coast Manufacturing  
1 Whitlee Court, Greenville, SC 29607

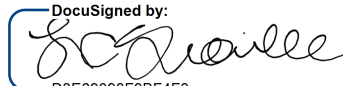
West Coast Manufacturing  
383 Cheryl Lane, City of Industry, CA 91789



# PROTERRA

Proterra requests an updated and itemized purchase order (PO) to account for the updated pricing as shown above. With respect to the updated PO, Proterra requests specific line items for each unit with delivery dates in accordance with the latest published timelines.

Sincerely,

DocuSigned by:  
  
D3E69098F9BF4F8...

Lauren Cochran Scoville  
Vice President, Sales  
Proterra Operating Company, Inc.

Cc: John Walsh, Chief Commercial Officer  
Mike Finnern, VP, Customer Success  
Josh Helm, Regional Sales Director  
John Dunn, East Region Customer Success Manager

## Proterra Confidential Information

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1 Whitelee Court, Greenville, SC 29607

West Coast Manufacturing  
383 Cheryl Lane, City of Industry, CA 91789

4  
[www.proterra.com](http://www.proterra.com)

IG 23-0007-O

17 MAY 2022

Eulouis Cleckly, CEO  
 Miami Dade Transit (MDT)  
 701 NW 1st Court  
 Miami, Florida 33142

**Subject: Update #1 to Notification of Price Adjustment for Proterra ZX5+ buses**

Dear Eulois,

This memo serves as an update to the Notification of Price Adjustment for Proterra ZX5+ buses delivered to you via email on April 11, 2022. The East Region Manager for Customer Success received a verbal request from Miami Dade Transit (MDT) Field Test Engineer on or about April 27, 2022, for clarification of the notification. Our understanding of the verbal request was to provide a Year-Over-Year (YOY) outline of the US Department of Labor/Bureau of Labor Statistics Producer Price Index (PPI) adjustments to the configured bus and charger price, starting with August 2018 through February 2022. Further, it is our understanding that the outline should follow the example described in Battery-Electric Transit Buses and Charging System Contract No.RFP-000456.

As such, what follows is a calculation that shows the YoY price adjustment for buses and chargers starting with the unit price in 2018 and multiplying by the percent change in PPI each year through 2022. In summary, the unit price for the pilot bus will increase from \$832,974.35 to \$942,913.65. The unit price for the 74 production units will increase from \$807,726.50 to \$914,333.48. The unit price for 75 chargers will increase from \$90,400.00 to \$102,331.35.

**Year over Year (YoY) Price Adjustment For Buses and Chargers:**

Unit Price for Bus Pilot (1 unit) 40' ZX5+ with DuoPower	\$832,974.35
Unit Price for Bus Production (74 units) 40' ZX5+ with DuoPower	\$807,726.50
Unit Price for Charging Equipment (75 units)	\$90,400.00

PPI Index: Future Award Month – 254.800 (February 2019)

- a. Less PPI Index: Base Award Month – 247.400 (August 2018)
- b. Equals Index Point Change – 7.4
- c. Index Point Change – 7.4
- d. Divided by PPI Index: Base Award Month – 247.400
- e. Equals: 0.02999
- f. Results Multiplied by 100: 0.02999 x 100
- g. Equals to Percent Change: 2.999%

## Updated pricing with PPI (AUG 2018 – FEB 2019)

Unit Price for Bus Pilot (1 unit)	\$857,955.25
Unit Price for Bus Production per unit (74 units)	\$831,950.22
Unit Price for Charger Equipment (75 units)	\$93,111.10

## PPI Index: Future Award Month – 259.000 (February 2020)

- Less PPI Index: Base Award Month – 254.800 (February 2019)
- Equals Index Point Change – 4.2
- Index Point Change – 4.2
- Divided by PPI Index: Base Award Month – 254.800
- Equals: 0.01648
- Results Multiplied by 100:  $0.01648 \times 100$
- Equals to Percent Change: 1.648%

## Updated pricing with PPI (FEB 2019 – FEB 2020)

Unit Price for Bus Pilot (1 unit)	\$872,094.35
Unit Price for Bus Production per unit (74 units)	\$845,660.76
Unit Price for Charger Equipment (75 units)	\$94,645.57

## PPI Index: Future Award Month – 266.700 (February 2021)

- Less PPI Index: Base Award Month – 259.000 (February 2020)
- Equals Index Point Change – 7.7
- Index Point Change – 7.7
- Divided by PPI Index: Base Award Month – 259.000
- Equals: 0.02972
- Results Multiplied by 100:  $0.02972 \times 100$
- Equals to Percent Change: 2.972%

## Updated pricing with PPI (FEB 2020 – FEB 2021)

Unit Price for Bus Pilot (1 unit)	\$898,013.00
Unit Price for Bus Production per unit (74 units)	\$870,793.80
Unit Price for Charger Equipment (75 units)	\$97,458.43

## PPI Index: Future Award Month – 298.136 (February 2022)

- Less PPI Index: Base Award Month – 266.700 (February 2021)
- Equals Index Point Change – 31.436
- Index Point Change – 31.436
- Divided by PPI Index: Base Award Month – 266.700
- Equals: 0.11787
- Results Multiplied by 100:  $0.11787 \times 100$
- Equals to Percent Change: 11.79% (limited to 5% per contract terms)

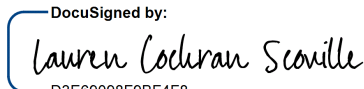


**Updated pricing with PPI (FEB 2021 – FEB 2022)**

<b>Unit Price for Bus Pilot (1 unit)</b>	<b>\$942,913.65</b>
<b>Unit Price for Bus Production per unit (74 units)</b>	<b>\$914,333.48</b>
<b>Unit Price for Charger Equipment (75 units)</b>	<b>\$102,331.35</b>

Proterra requests that any additional requests for updates are submitted in writing to ensure proper understanding. We are eager to collaborate with MDT to find a mutually agreed understanding of the price adjustment notice, as we finalize production schedules and delivery dates for upcoming MDT bus units. As requested in the original April 11, 2022 memo, Proterra requests an updated and itemized purchase order (PO) to account for the updated pricing. With respect to the updated PO, Proterra requests specific line items for each unit to show delivery dates in accordance with the latest mutually agreed timelines.

Sincerely,

DocuSigned by:  


D3E69098F9BF4F8...  
Lauren Cochran Scoville

Vice President, Sales

Proterra Operating Company, Inc.

Cc: John Walsh, Chief Commercial Officer  
Mike Finnern, VP, Customer Success  
Josh Helm, Regional Sales Director  
John Dunn, East Region Customer Success Manager

09 AUG 2022

Eulois Cleckly, CEO  
 Miami Dade Transit (MDT)  
 701 NW 1st Court  
 Miami, Florida 33142

**Subject: Update #2 to Notification of Price Adjustment for Proterra ZX5+ buses**

Dear Eulois,

This memo serves as an update to Update #1 to Notification of Price Adjustment for Proterra ZX5+ buses delivered to you via email on May 17, 2022. The East Region Manager for Customer Success received a verbal request from Miami Dade Transit (MDT) Field Test Engineer on or about April 27, 2022, for clarification of the notification. Our understanding of the verbal request was to provide a Year-Over-Year (YOY) outline of the US Department of Labor/Bureau of Labor Statistics Producer Price Index (PPI) adjustments to the configured bus and charger price, starting with August 2018 through February 2022. Further, it is our understanding that the outline should follow the example described in Battery-Electric Transit Buses and Charging System Contract No.RFP-000456.

As such, what follows is a calculation that shows the YoY price adjustment for buses and chargers starting with the unit price in 2018 and multiplying by the percent change in PPI each year through 2022. In summary, the unit price for the pilot bus will increase from \$832,974.35 to \$942,913.65. The unit price for the 74 production units will increase from \$807,726.50 to \$914,333.48. The unit price for 75 chargers will increase from \$90,400.00 to \$102,331.35.

1) Bus Pricing –

1) 40' ZX5+ with DuoPower (Pilot)	\$807,600.00
i. Deviation impacts	
1. Monitor Mod	(-) \$208.00
2. Trim Mod	(-) \$279.00
3. Speaker Mod	(-) \$102.00
4. Fabric Ducting	_ (+) \$0.00
5. Fabric Pole Covering	(+) \$0.00
6. Front Door Brush	(+) \$0.00
7. Seat Modification	(+) <u>25,963.35</u>
	\$832,974.35

2) 40' ZX5+ with DuoPower (MIAMI/32 units)	\$807,600.00
i. Deviation impacts	
1. Monitor Mod	(-) \$208.00
2. Trim Mod	(-) \$279.00
3. Speaker Mod	(-) \$102.00
4. Fabric Ducting	-(+) \$0.00
5. Fabric Pole Covering	(+) \$453.25
6. Front Door Brush	(+) \$0.00
7. Seat Modification	(+) \$684.80
8. PDT (lap top) removal	(-) \$239.81
9. ConSeal	(+) <u>\$917.14</u>
	\$808,826.38

3) 40' ZX5+ with DuoPower (MIAMI2/42 units)	\$802,600.00
i. Deviation impacts	
1. Monitor Mod	(-) \$208.00
2. Trim Mod	(-) \$279.00
3. Speaker Mod	(-) \$102.00
4. Fabric Ducting	-(+) \$0.00
5. Fabric Pole Covering	(+) 453.25
6. Front Door Brush	(+) 0.00
7. Seat Modification	(+) 455.00
8. ConSeal	(+) <u>917.14</u>
	\$803,836.39
	(+) PPI <u>\$11,141.17</u>
	\$814,977.53

2) Charger Pricing / 75 Units - \$90,400.00

**Year over Year (YoY) Price Adjustment For Buses and Chargers:**

Unit Price for Bus Pilot (1 unit) 40' ZX5+ with DuoPower	\$832,974.35
Unit Price for Bus Production (74 units) 40' ZX5+ with DuoPower	\$808,826.38
Unit Price for Charging Equipment (75 units)	\$90,400.00

- PPI Index: Future Award Month – 268.100 (April 2021)
  - a. Less PPI Index: Base Award Month – 259.300 (April 2020)
  - b. Equals Index Point Change – 8.8
  - c. Index Point Change – 8.8
  - d. Divided by PPI Index: Base Award Month – 247.400
  - e. Equals: 0.0339
  - f. Results Multiplied by 100: 0.0339 x 100

g. Equals to Percent Change: 3.394%

Updated pricing with PPI (AUG 2018 – FEB 2019)

Unit Price for Bus Pilot (1 unit)	\$857,955.25
Unit Price for Bus Production per unit (74 units)	\$836,277.95
Unit Price for Charger Equipment (75 units)	\$93,468.18

PPI Index: Future Award Month – 259.000 (April 2022)

- a. Less PPI Index: Base Award Month – 254.800 (April 2021)
- b. Equals Index Point Change – 4.2
- c. Index Point Change – 4.2
- d. Divided by PPI Index: Base Award Month – 254.800
- e. Equals: 0.01648
- f. Results Multiplied by 100:  $0.01648 \times 100$
- g. Equals to Percent Change: 1.648%

Updated pricing with PPI (FEB 2019 – FEB 2020)

Unit Price for Bus Pilot (1 unit)	\$872,094.35
Unit Price for Bus Production per unit (74 units)	\$845,660.76
Unit Price for Charger Equipment (75 units)	\$94,645.57

PPI Index: Future Award Month – 266.700 (February 2021)

- a. Less PPI Index: Base Award Month – 259.000 (February 2020)
- b. Equals Index Point Change – 7.7
- c. Index Point Change – 7.7
- d. Divided by PPI Index: Base Award Month – 259.000
- e. Equals: 0.02972
- f. Results Multiplied by 100:  $0.02972 \times 100$
- g. Equals to Percent Change: 2.972%

Updated pricing with PPI (FEB 2020 – FEB 2021)

Unit Price for Bus Pilot (1 unit)	\$898,013.00
Unit Price for Bus Production per unit (74 units)	\$870,793.80
Unit Price for Charger Equipment (75 units)	\$97,458.43

PPI Index: Future Award Month – 298.136 (February 2022)

- a. Less PPI Index: Base Award Month – 266.700 (February 2021)
- b. Equals Index Point Change – 31.436
- c. Index Point Change – 31.436
- d. Divided by PPI Index: Base Award Month – 266.700
- e. Equals: 0.11787

- f. Results Multiplied by 100:  $0.11787 \times 100$
- g. Equals to Percent Change: 11.79% (limited to 5% per contract terms)

**Updated pricing with PPI (FEB 2021 – FEB 2022)**

<b>Unit Price for Bus Pilot (1 unit)</b>	<b>\$942,913.65</b>
<b>Unit Price for Bus Production per unit (74 units)</b>	<b>\$914,333.48</b>
<b>Unit Price for Charger Equipment (75 units)</b>	<b>\$102,331.35</b>

Proterra requests that any additional requests for updates are submitted in writing to ensure proper understanding. We are eager to collaborate with MDT to find a mutually agreed understanding of the price adjustment notice, as we finalize production schedules and delivery dates for upcoming MDT bus units. As requested in the original April 11, 2022 memo, Proterra requests an updated and itemized purchase order (PO) to account for the updated pricing. Additionally, and per discussion with MDT personnel on 28 July, it was agreed that invoices will be accepted and processed by MDT as units are delivered. With respect to the updated PO, Proterra requests specific line items for each unit to show delivery dates in accordance with the latest mutually agreed timelines.

Sincerely,

*Lauren Scoville*

Lauren Cochran Scoville  
 Vice President, Sales  
 Proterra Operating Company, Inc.

Cc: John Walsh, Chief Commercial Officer  
 Mike Finnern, VP, Customer Success  
 Josh Helm, Regional Sales Director  
 John Dunn, East Region Customer Success Manager

16 SEP 2022

Eulois Cleckley, CEO  
 Miami Dade Transit (MDT)  
 701 NW 1st Court  
 Miami, Florida 33142

**Subject: Update #3 to Notification of Price Adjustment for Proterra ZX5+ buses**

Dear Eulois,

This memo serves as an update to Update #2 to Notification of Price Adjustment for Proterra ZX5+ buses delivered to you via email on Aug 09, 2022.

What follows is a calculation that shows the YoY price adjustment for buses and chargers starting with the unit price in 2018 and multiplying by the percent change in PPI each year through 2022. In summary, the unit price for the pilot bus will increase from \$832,974.35 to \$942,849.57. The unit price for the Lot1 (MIAMI1); thirty-two (32) production units will increase from \$807,726.50 to \$915,309.46. The unit price for the Lot2 (MIAMI2); forty-two (42) production units will increase from \$814,977.56 to \$922,478.87. The unit price for 75 chargers will increase from \$90,400.00 to \$102,324.40.

1) Bus Pricing –

1) 40' ZX5+ with DuoPower (Pilot)	\$807,600.00
i. Deviation impacts	
1. Monitor Mod	(-) \$208.00
2. Trim Mod	(-) \$279.00
3. Speaker Mod	(-) \$102.00
4. Fabric Ducting	(+) \$0.00
5. Fabric Pole Covering	(+) \$0.00
6. Front Door Brush	(+) \$0.00
7. Seat Modification	(+) <u>25,963.35</u>
	\$832,974.35
2) 40' ZX5+ with DuoPower (MIAMI/32 units)	\$807,600.00
i. Deviation impacts	
1. Monitor Mod	(-) \$208.00
2. Trim Mod	(-) \$279.00
3. Speaker Mod	(-) \$102.00
4. Fabric Ducting	(+) \$0.00
5. Fabric Pole Covering	(+) \$453.25
6. Front Door Brush	(+) \$0.00

7. Seat Modification	(+) \$684.80
8. PDT (lap top) removal	(-) \$422.55
9. ConSeal	(+) <u>\$917.14</u>
	\$808,643.64

3) 40' ZX5+ with DuoPower (MIAMI2/42 units)	\$802,600.00
i. Deviation impacts	
1. Monitor Mod	(-) \$208.00
2. Trim Mod	(-) \$279.00
3. Speaker Mod	(-) \$102.00
4. Fabric Ducting	(+) \$0.00
5. Fabric Pole Covering	(+) 453.25
6. Front Door Brush	(+) 0.00
7. Seat Modification	(+) 455.00
8. ConSeal	(+) <u>917.14</u>
	\$803,836.39
	(+) PPI <u>\$11,141.17</u>
	\$814,977.56

2) Charger Pricing / 75 Units - \$90,400.00

### Year over Year (YoY) Price Adjustment For Buses and Chargers:

Unit Price for Bus Pilot (1 unit) 40' ZX5+ with DuoPower	\$832,974.35
Unit Price for Bus Production (32 units) 40' ZX5+ with DuoPower	\$808,643.64
Unit Price for Bus Production (42 units) 40' ZX5+ with DuoPower	\$814,977.56
Unit Price for Charging Equipment (75 units)	\$90,400.00

PPI Index: Future Award Month – 254.800 (Feb 2019)

- Less PPI Index: Base Award Month – 247.400 (Aug 2018)
- Equals Index Point Change – 7.4
- Index Point Change – 7.4
- Divided by PPI Index: Base Award Month – 247.400
- Equals: 0.0299
- Results Multiplied by 100: 0.0299 x 100
- Equals to Percent Change: 2.991%

Updated pricing with PPI (AUG 2018 – FEB 2019)

Unit Price for Bus Pilot (1 unit) 40' ZX5+ with DuoPower	\$857,888.61
Unit Price for Bus Production (32 units) 40' ZX5+ with DuoPower	\$832,830.17
Unit Price for Bus Production (42 units) 40' ZX5+ with DuoPower	\$839,353.54
Unit Price for Charging Equipment (75 units)	\$93,103.86

PPI Index: Future Award Month – 259.000 (Feb 2020)

- a. Less PPI Index: Base Award Month – 254.800 (Feb 2019)
- b. Equals Index Point Change – 4.2
- c. Index Point Change – 4.2
- d. Divided by PPI Index: Base Award Month – 254.800
- e. Equals: 0.0165
- f. Results Multiplied by 100:  $0.01648 \times 100$
- g. Equals to Percent Change: 1.648%

Updated pricing with PPI (FEB 2019 – FEB 2020)

Unit Price for Bus Pilot (1 unit) 40' ZX5+ with DuoPower	\$872,026.62
Unit Price for Bus Production (32 units) 40' ZX5+ with DuoPower	\$846,555.21
Unit Price for Bus Production (42 units) 40' ZX5+ with DuoPower	\$853,186.09
Unit Price for Charging Equipment (75 units)	\$94,638.22

PPI Index: Future Award Month – 266.700 (February 2021)

- a. Less PPI Index: Base Award Month – 259.000 (February 2020)
- b. Equals Index Point Change – 7.7
- c. Index Point Change – 7.7
- d. Divided by PPI Index: Base Award Month – 259.000
- e. Equals: 0.02973
- f. Results Multiplied by 100:  $0.02973 \times 100$
- g. Equals to Percent Change: 2.973%

Updated pricing with PPI (FEB 2020 – FEB 2021)

Unit Price for Bus Pilot (1 unit) 40' ZX5+ with DuoPower	\$897,951.97
Unit Price for Bus Production (32 units) 40' ZX5+ with DuoPower	\$871,723.30
Unit Price for Bus Production (42 units) 40' ZX5+ with DuoPower	\$878,551.31
Unit Price for Charging Equipment (75 units)	\$97,451.81

PPI Index: Future Award Month – 298.136 (February 2022)

- a. Less PPI Index: Base Award Month – 266.700 (February 2021)
- b. Equals Index Point Change – 31.449
- c. Index Point Change – 31.449
  
- d. Divided by PPI Index: Base Award Month – 266.700
- e. Equals: 0.11719
- f. Results Multiplied by 100:  $0.11719 \times 100$
- g. Equals to Percent Change: 11.792% (limited to 5% per contract terms)



<b>Updated pricing with PPI (FEB 2021 – FEB 2022)</b>	
<b>Unit Price for Bus Pilot (1 unit)</b>	<b>\$942,849.57</b>
<b>Unit Price for Bus Production per unit (32 units)</b>	<b>\$915,309.46</b>
<b>Unit Price for Bus Production per unit (42 units)</b>	<b>\$922,478.87</b>
<b>Unit Price for Charger Equipment (75 units)</b>	<b>\$102,324.40</b>

Proterra requests that any additional requests for updates are submitted in writing to ensure proper understanding. We are eager to collaborate with MDT to find a mutually agreed understanding of the price adjustment notice, as we finalize production schedules and delivery dates for upcoming MDT bus units. As requested in the original April 11, 2022 memo, Proterra requests an updated and itemized purchase order (PO) to account for the updated pricing. Additionally, and per discussion with MDT personnel on 28 July, it was agreed that invoices will be accepted and processed by MDT as units are delivered. With respect to the updated PO, Proterra requests specific line items for each unit to show delivery dates in accordance with the latest mutually agreed timelines.

Sincerely,



John Dunn  
 East Region Manger, Customer Success  
 Proterra Operating Company, Inc.

Cc: John Walsh, Chief Commercial Officer  
 Karina Padilla, Chief Financial Officer  
 Mike Finnern, VP, Customer Success  
 Lauren Cochran Scoville, VP, Sales  
 Josh Helm, Regional Sales Director

**From:** [Villar, Robert \(DTPW\)](#)  
**To:** [John Dunn](#)  
**Cc:** [jwalsh@proterra.com](#); [mfinnern@proterra.com](#); [lcochran@proterra.com](#); [Delgado, Carlos \(DTPW\)](#)  
**Subject:** RE: PPI adjustment  
**Date:** Tuesday, September 27, 2022 3:23:58 PM  
**Attachments:** [image001.png](#)  
[image005.png](#)  
[Requisitions.proterra.pdf](#)

John, please find our internal purchase order change order Requestion for the first 33. We got caught in the close/open of our fiscal year which is 9/30-10/1 and cannot curtly issue POs. I will let know when I expect to have that back to you. As for the balance of the order, we are going to have to go back to the Board for additional contract authority, Carlos is working on that item.

Robert

---

**From:** John Dunn <[jdunn@proterra.com](mailto:jdunn@proterra.com)>  
**Sent:** Friday, September 23, 2022 1:24 PM  
**To:** Villar, Robert (DTPW) <[robert.villar@miamidade.gov](mailto:robert.villar@miamidade.gov)>  
**Cc:** [jwalsh@proterra.com](#); [mfinnern@proterra.com](#); [lcochran@proterra.com](#)  
**Subject:** FW: PPI adjustment

EMAIL RECEIVED FROM EXTERNAL SOURCE

Sir,

Just spoke to the Exec assist and she asked that I resend this email. Please see below:

Hope you had a great weekend . Spoke to Carlos several times last week concerning the this and information for the board meeting. Can you confirm we are aligned on the price modification?

Please let me know if there are any questions.

Thanks,  
John



John Dunn (he, him, his)  
 East Region Manager-Customer Program  
 Manager, PROTERRA  
 P: 864.214.2663  
 M:803.883.6353 [JJDunn@proterra.com](mailto:JJDunn@proterra.com)  
[www.proterra.com](http://www.proterra.com) | 1 Whitlee Ct, Greenville, SC 29607



We value your feedback! [Click here to take our survey!](#)

---

**From:** John Dunn

**Sent:** Friday, September 16, 2022 10:07 AM

**To:** Villar, Robert (DTPW) <[robert.villar@miamidade.gov](mailto:robert.villar@miamidade.gov)>

**Cc:** Lauren Scoville <[LCochran@Proterra.com](mailto:LCochran@Proterra.com)>; Mike Finnern <[MFinfern@Proterra.com](mailto:MFinfern@Proterra.com)>; Joshua Helm <[jhelm@proterra.com](mailto:jhelm@proterra.com)>; John Walsh <[jwalsh@proterra.com](mailto:jwalsh@proterra.com)>; [eulois.cleckley@miamidade.gov](mailto:eulois.cleckley@miamidade.gov); [ana.rioseco@miamidade.gov](mailto:ana.rioseco@miamidade.gov); [carlos.delgado2@miamidade.gov](mailto:carlos.delgado2@miamidade.gov); [colin.armorner@miamidade.gov](mailto:colin.armorner@miamidade.gov); Karina Padilla <[kfrancopadilla@proterra.com](mailto:kfrancopadilla@proterra.com)>

**Subject:** RE: PPI adjustment

Sir,

Good morning – hope all is well. Please see attached for update#3 to MDT Price Modification memo. Appreciate the teamwork on this. Please call if you have questions or concerns.

Thanks,  
John



John Dunn (he, him, his)  
East Region Manager-Customer Program  
Manager, PROTERRA  
P: 864.214.2663  
M: 803.883.6353 | [JDunn@proterra.com](mailto:JDunn@proterra.com)  
[www.proterra.com](http://www.proterra.com) | 1 Whitlee Ct, Greenville, SC 29607



We value your feedback! [Click here to take our survey!](#)

---

**From:** Villar, Robert (DTPW) <[robert.villar@miamidade.gov](mailto:robert.villar@miamidade.gov)>

**Sent:** Thursday, September 15, 2022 9:41 PM

**To:** John Dunn <[jdunn@proterra.com](mailto:jdunn@proterra.com)>

**Cc:** Lauren Scoville <[LCochran@Proterra.com](mailto:LCochran@Proterra.com)>; Mike Finnern <[MFinfern@Proterra.com](mailto:MFinfern@Proterra.com)>; Joshua Helm <[jhelm@proterra.com](mailto:jhelm@proterra.com)>; John Walsh <[jwalsh@proterra.com](mailto:jwalsh@proterra.com)>; [eulois.cleckley@miamidade.gov](mailto:eulois.cleckley@miamidade.gov); [ana.rioseco@miamidade.gov](mailto:ana.rioseco@miamidade.gov); [carlos.delgado2@miamidade.gov](mailto:carlos.delgado2@miamidade.gov); [colin.armorner@miamidade.gov](mailto:colin.armorner@miamidade.gov)

**Subject:** RE: PPI adjustment

**Importance:** High

**This Message originated outside your organization.**

---

John,

We were having a hard time backing into the numbers on your letter. I believe I've figured it out, please see attached scan with comments/corrections required on your Aug 9, 2022 letter.

1. The first YoY calculations should have been 8/2018 to 2/2019 (NOT 4/2020-4/2021) I believe the calculations here need to be reworked

2. The next YoY numbers tie to Feb 2020/Feb 2019 (The labels say April)

As soon as we receive and confirm the calculations and support, Carlos Delgado will initiate the Change Order and Ana Rioseco will process the Purchase Order. We have received confirmation that Board action will be required to add the additional funds to the contract as a result of the PPI adjustments for the last 42 vehicles (Carlos is working on this Board Agenda Item).

To move forward, please update the letter with corrected annual PPI adjustments and send the back-up calculation spreadsheet.

Respectfully,

Robert

Against my better judgment, I'm showing you my work:

Future Month	Feb-19	Feb-20	Feb-21	Feb-22
Base Month	Aug-18	Feb-19	Feb-20	Feb-21
PPI Index: Future Award Month	254.8	259	266.7	298.149
Less PPI Base Award Month	247.4	254.8	259.0	266.7
Equals Index Point Change	7.4	4.2	7.7	31.449
Index Point Change	7.4	4.2	7.7	31.449
Divided by PPI Index: Base Award Month	247.4	254.8	259.0	266.7
Equals	0.0299	0.0165	0.0297	0.1179
Result Multiplied by 100	2.9911	1.6484	2.9730	11.7919
Equals to a Percentage Change of:	2.991%	1.648%	2.973%	11.792%
PPI Change	2.991%	1.648%	2.973%	5%

**Robert Villar**, Chief Financial Officer

Miami-Dade County Department of Transportation and Public Works  
 Overtown Transit Village  
 701 NW 1st Court 17th Floor  
 Miami, FL 33136

[robert.villar@miamidade.gov](mailto:robert.villar@miamidade.gov)

786-469-5168 office

786-473-4248 cell

Lobbyists must register with Clerk of the Board:

111 NW 1st Street, 17th Floor  
 Miami, FL 33128  
 305-375-5137

---

**From:** John Dunn <[jdunn@proterra.com](mailto:jdunn@proterra.com)>  
**Sent:** Thursday, September 15, 2022 10:31 AM  
**To:** Villar, Robert (DTPW) <[robert.villar@miamidade.gov](mailto:robert.villar@miamidade.gov)>  
**Subject:** RE: PPI adjustment

EMAIL RECEIVED FROM EXTERNAL SOURCE

Sir,

Wanted to follow up from the phone call. Believe I have provided required information – please confirm/deny. I have several members of my leadership team here in GVL this week and they are asking me for a timeline for the change order. Can you provide that to me?

Thanks,  
John



John Dunn (he, him, his)  
East Region Manager-Customer Program  
Manager, PROTERRA  
P: 864.214.2663  
M: 803.883.6353 [JDunn@proterra.com](mailto:JDunn@proterra.com)  
[www.proterra.com](http://www.proterra.com) | 1 Whitlee Ct, Greenville, SC 29607



We value your feedback! [Click here to take our survey!](#)

**From:** Villar, Robert (DTPW) <[robert.villar@miamidade.gov](mailto:robert.villar@miamidade.gov)>  
**Sent:** Wednesday, September 14, 2022 10:09 AM  
**To:** John Dunn <[jdunn@proterra.com](mailto:jdunn@proterra.com)>  
**Subject:** RE: PPI adjustment

—  
**\*\*This email was sent from outside of Proterra\*\***

---

For background, we could not confirm the numbers in the letter, otherwise we would have processed it.

---

**From:** John Dunn <[jdunn@proterra.com](mailto:jdunn@proterra.com)>  
**Sent:** Wednesday, September 14, 2022 10:05 AM

**To:** Villar, Robert (DTPW) <[robert.villar@miamidade.gov](mailto:robert.villar@miamidade.gov)>  
**Cc:** [jwalsh@proterra.com](mailto:jwalsh@proterra.com); [kfrancopadilla@protera.com](mailto:kfrancopadilla@protera.com); [mfinnern@proterra.com](mailto:mfinnern@proterra.com); Gordon, Derrick (DTPW) <[derrick.gordon@miamidade.gov](mailto:derrick.gordon@miamidade.gov)>; Rioseco, Ana (DTPW) <[ana.rioseco@miamidade.gov](mailto:ana.rioseco@miamidade.gov)>; Delgado, Carlos (DTPW) <[carlos.delgado2@miamidade.gov](mailto:carlos.delgado2@miamidade.gov)>  
**Subject:** RE: PPI adjustment

EMAIL RECEIVED FROM EXTERNAL SOURCE

Sir,

I'll speak with our internal team and get this turned as quickly as possible

Thanks,  
John



John Dunn (he, him, his)  
East Region Manager-Customer Program  
Manager, PROTERRA  
P: 864.214.2663  
M: 803.883.6353 [JDunn@proterra.com](mailto:JDunn@proterra.com)  
[www.proterra.com](http://www.proterra.com) | 1 Whitlee Ct, Greenville, SC 29607



We value your feedback! [Click here to take our survey!](#)

**From:** Villar, Robert (DTPW) <[robert.villar@miamidade.gov](mailto:robert.villar@miamidade.gov)>  
**Sent:** Wednesday, September 14, 2022 9:46 AM  
**To:** John Dunn <[jdunn@proterra.com](mailto:jdunn@proterra.com)>  
**Cc:** John Walsh <[jwalsh@proterra.com](mailto:jwalsh@proterra.com)>; [kfrancopadilla@protera.com](mailto:kfrancopadilla@protera.com); Mike Finnern <[MFinnern@Proterra.com](mailto:MFinnern@Proterra.com)>; [derrick.gordon@miamidade.gov](mailto:derrick.gordon@miamidade.gov); [ana.rioseco@miamidade.gov](mailto:ana.rioseco@miamidade.gov); [carlos.delgado2@miamidade.gov](mailto:carlos.delgado2@miamidade.gov)  
**Subject:** PPI adjustment  
**Importance:** High

**\*\*This email was sent from outside of Proterra\*\***

---

Good morning John,

We are attempting to do the Change order but have come-up with some math issues/questions for you. First, please separate the 32 and 42 units in the PPI calculation since they have different base pricing. Second, on the pilot bus, that PPI should only be calculated to delivery, not invoice date. Lastly, please provide a back-up spreadsheet something like:

	PPI	Base	3.394%	1.65%	2.97%	5%
Units	Desc	2018	2019	2020	2021	2022
1	pilot					
32	Production					
42	Production					
75	Chargers					

Thanks,  
Robert

**Robert Villar**, Chief Financial Officer  
Miami-Dade County Department of Transportation and Public Works  
Overtown Transit Village  
701 NW 1st Court 17th Floor  
Miami, FL 33136

[robert.villar@miamidade.gov](mailto:robert.villar@miamidade.gov)

786-469-5168 office

786-473-4248 cell

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111 NW 1st Street, 17th Floor  
Miami, FL 33128  
305-375-5137

**From:** [Fulton, Jocelyn \(SPD\)](#)  
**To:** [Cleckley, Eulois \(DTPW\)](#); [Auguste, Tracie \(SPD\)](#)  
**Cc:** [Fernandez, Marta \(SPD\)](#); [Rioseco, Ana \(DTPW\)](#); [Edwards, Phillip G. \(DTPW\)](#); [Goldsmith, Beth \(DTPW\)](#)  
**Subject:** RE: Mayoral Delegated Authority - RFP-00456 Battery-Electric Transit Buses and Charging System  
**Date:** Monday, March 20, 2023 2:14:35 PM  
**Attachments:** [image002.png](#)  
[image003.jpg](#)  
[image004.png](#)  
**Importance:** High

---

Good afternoon Director Cleckley,  
 Thank you for your concurrence. We will proceed with routing the item to the Mayor's Office.  
 Best Regards,

*Jocelyn R. Fulton*

Procurement & Policies Training Coordinator  
 Strategic Procurement Department  
 Miami-Dade County  
 111 NW 1 Street, Ste.1300 Miami FL 33128  
**305-375-4735 / [Jocelyn.Fulton@miamidade.gov](mailto:Jocelyn.Fulton@miamidade.gov)**  
**<http://www.miamidade.gov/procurement>**

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---

**From:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>  
**Sent:** Monday, March 20, 2023 2:07 PM  
**To:** Auguste, Tracie (SPD) <[Tracie.Auguste@miamidade.gov](mailto:Tracie.Auguste@miamidade.gov)>  
**Cc:** Fulton, Jocelyn (SPD) <[Jocelyn.Fulton@miamidade.gov](mailto:Jocelyn.Fulton@miamidade.gov)>; Fernandez, Marta (SPD) <[Marta.Fernandez@miamidade.gov](mailto:Marta.Fernandez@miamidade.gov)>; Rioseco, Ana (DTPW) <[Ana.Rioseco@miamidade.gov](mailto:Ana.Rioseco@miamidade.gov)>; Edwards, Phillip G. (DTPW) <[Phillip.Edwards@miamidade.gov](mailto:Phillip.Edwards@miamidade.gov)>; Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>

**Subject:** RE: Mayoral Delegated Authority - RFP-00456 Battery-Electric Transit Buses and Charging System

Tracie-  
 This is ready to process.  
 Thanks-

**Eulois Cleckley**  
**Director and CEO**  
**Department of Transportation and Public Works**





Overtown Transit Village  
701 NW 1<sup>st</sup> Court 17<sup>th</sup> Floor  
Miami, FL 33136  
Phone: 786-469-5406

---

**From:** Auguste, Tracie (SPD) <[Tracie.Auguste@miamidade.gov](mailto:Tracie.Auguste@miamidade.gov)>

**Sent:** Thursday, March 16, 2023 5:25 PM

**To:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>

**Cc:** Fulton, Jocelyn (SPD) <[Jocelyn.Fulton@miamidade.gov](mailto:Jocelyn.Fulton@miamidade.gov)>; Fernandez, Marta (SPD) <[Marta.Fernandez@miamidade.gov](mailto:Marta.Fernandez@miamidade.gov)>; Rioseco, Ana (DTPW) <[Ana.Rioseco@miamidade.gov](mailto:Ana.Rioseco@miamidade.gov)>; Edwards, Phillip G. (DTPW) <[Phillip.Edwards@miamidade.gov](mailto:Phillip.Edwards@miamidade.gov)>

**Subject:** Mayoral Delegated Authority - RFP-00456 Battery-Electric Transit Buses and Charging System

Hello Director Cleckley,

Please review the modification memo under the Mayor's Delegated Authority and advise of any changes prior to COB tomorrow, 3/17 (due to the time sensitivity). Thank you!

***Tracie Auguste***

*Intergovernmental Affairs Administrator*

Strategic Procurement Department

111 N.W. First Street, Suite 1300

Miami, Florida 33128

305.375.5287 (Office) | 786.564.5012 (Mobile)

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# Memorandum



**Date:** March 16, 2023

**To:** Daniella Levine Cava  
Mayor

**From:** Namita Uppal, C.P.M.  
Director and Chief Procurement Officer  
Strategic Procurement Department

**Subject:** Request for Modification of Contract for Battery-Electric Transit Buses and Charging System

Digitally signed by  
Namita Uppal  
DN: cn=Namita Uppal,  
o=Miami Dade County,  
ou=Chief Procurement  
Officer,  
email=uppaln@miamida  
de.gov, c=US  
Date: 2023.03.16  
15:54:48 -04'00'

**SUMMARY**

Approval of a modification to the contract for increased expenditure authority is requested to allow for adjustment to pricing based on the Producer Price Index (PPI). This will permit the Department of Transportation and Public Works (DTPW) to pay for the 75 Battery-Electric Buses and installation of charging systems from Proterra, Inc. (Proterra) for DTPW’s three maintenance garages at an adjusted rate. After the Notice to Proceed and issuance of the Purchase Order for a first order of 33 buses, but prior to fabrication of the buses, DTPW instructed Proterra to delay production of the first 33 buses to allow time for DTPW to consider the use of a different battery. As this delay was due to the County and it exceeded 180 days, following consultation with the County Attorney’s Office, it was determined that the County can adjust the pricing of the buses to include adjustments for the PPI as allowed in the contract approved by the Board of County Commissioners. A second order for 34 buses and 38 chargers was placed by DTPW in April 2021 and May 2021, and this modification request includes a price adjustment for this order.

**RECOMMENDATION**

It is recommended that a year-over-year price adjustment totaling \$1,701,621.48, based on the PPI for the purchase of electric buses and depot chargers be approved under *Contract No. RFP-00456, Battery-Electric Transit Buses and Charging System*. The price adjustment applies to the buses and depot chargers, starting with the unit price in the approved contract from 2019 and multiplied by the PPI on the date of order. The requested increase is within your delegated authority.

**CONTRACT TERM:** Five years

**METHOD OF AWARD:** Highest-ranked Proposer

**EXISTING CUMULATIVE ALLOCATION:** \$72,176,322.60

**INCREASE BY:** \$ 1,701,621.48

**MODIFIED ALLOCATION:** \$73,877,944.08

**CONTRACT EXPIRATION:** October 31, 2024

**REASON FOR CHANGE**

On October 3, 2019, the Board of County Commissioners (Board) adopted Resolution No. R-1041-19 awarding a contract to Proterra for the purchase of 75 Battery-Electric Buses and installation of depot chargers (charging systems). This contract was established by Board for a


five-year term and an allocation of \$72,176,322. There have been no prior modifications. Additional expenditure authority is requested to allow for a PPI adjustment to pricing in accordance with the contract's price adjustment clause, which will support DTPW's needs for the buses and charging systems.

**DEPARTMENT AND FUNDING SOURCES:**

Department	Existing Cumulative Allocation	Additional Allocation Requested	Modified Cumulative Allocation	Funding Sources	Contract Manager
DTPW	\$72,176,322	\$1,701,621.48	\$73,877,944.08	Federal Transit Administration/ Bus Lease Financing	Ana Rioseco
<b>Total</b>	<b>\$72,176,322</b>	<b>\$1,701,621.48</b>	<b>\$73,877,944.08</b>		

- AWARDED VENDOR:** Proterra Inc. (Non-Local)
- PERFORMANCE DATA:** There are no performance issues with the awarded vendor.
- COMPLIANCE DATA:** There are no compliance issues with the awarded vendor.
- CONTRACT MEASURES:** The Small Business Enterprise Selection Factor did not apply due to the federal funding source.
- LIVING WAGE:** The Living Wage does not apply as this is not a covered service under the Ordinance.
- USER ACCESS PROGRAM:** The User Access Program provision does not apply.
- LOCAL PREFERENCE:** The Local Preference did not apply due to the federal funding source.
- PROCUREMENT MANAGER:** Vanessa Stroman

**Approved**

  
 \_\_\_\_\_  
 Daniella Levine Cava  
 Mayor

March 24, 2023  
 \_\_\_\_\_  
 Date

PPI Commodity Data  
Original Data Value

Series Id: WPU1413  
 Not Seasonally Adjusted  
 Series Title: PPI Commodity data for Transportation equipment-Truck and Transportation equipment  
 Group: Truck and bus bodies  
 Item: 198212  
 Base Date: 2019 to 2021  
 Years: 2019 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	253.8	254.8	255.8	255.7	255.9	257.8	258.6	258.7	259.5	259.8	259.8	260.0
2020	258.9	259.0	259.3	259.3	259.9	260.0	260.9	261.4	262.8	262.9	263.1	263.8
2021	264.8	266.7	267.4	268.1	269.5	272.5	276.618	278.670	280.431	283.496	283.777	285.695

	1st Pilot Bus ADJ 10/2019 to 10/2020	2nd Order ADJ 10/2019 to 10/2020	4th Order Buses ADJ 10/2019 to 10/2020	3rd Order Chargers Only ADJ 10/2019 to 10/2020	
Year to Year	10/19	259.8	259.8	259.8	259.8
	10/20	262.9	262.9	262.9	262.9
		3.10	3.10	3.10	3.10
		259.8	259.8	259.8	259.8
		0.011932256	0.011932256	0.011932256	0.011932256
	1.19	1.19	1.19	1.19	
	DTPW CO # TP-00000940	DTPW CO # TP-00000940	DTPW CO # TP-00002584	DTPW CO # TP-00000941	
	\$ 923,374.35	\$ 899,043.64	\$ 803,836.39	\$ 90,400.00	
	\$ 934,392.29	\$ 909,771.26	\$ 813,427.97	\$ 91,478.68	
	\$ 11,017.94	\$ 10,727.62	\$ 9,591.58	\$ 1,078.68	
	1	32	34	38	
	A	C	E	G	
	\$ 11,017.94	\$ 343,283.79	\$ 326,113.76	\$ 40,989.68	
3 Monrths	10/20	262.9	262.9	262.9	262.9
	1/21	264.8	264.8	269.5	267.4
		1.90	1.90	6.60	4.50
		262.9	262.9	262.9	262.9
		0.007227083	0.007227083	0.025104603	0.017116774
	0.72	0.72	2.51	1.71	
	DTPW CO # TP-00000940	DTPW CO # TP-00000940	DTPW CO # TP-00002584	DTPW CO # TP-00000941	DTPW CO # TP-00000941
	\$ 934,392.29	\$ 909,771.36	\$ 813,427.97	\$ 91,478.68	\$ 91,478.68
	\$ 941,145.22	\$ 916,346.35	\$ 833,848.76	\$ 93,044.50	\$ 93,288.07
	\$ 6,752.93	\$ 6,574.99	\$ 20,420.79	\$ 1,565.82	\$ 1,809.39
	1	32	34	38	38
	B	D	F	H	I
	\$ 6,752.93	\$ 210,399.77	\$ 694,306.72	\$ 59,501.15	\$ 68,756.89
	Subtotal A+ \$ 17,770.87	Subtotal A- \$ 553,683.56	Subtotal A- \$ 1,020,420.48	Subtotal A- \$ 100,490.84	Subtotal A+B \$ 109,746.57
		Total of A,B,C,D,E,F,G,H: \$ 1,692,365.75			
		Total of A,B,C,D,E,F,G,I: \$ 1,701,621.48			

**From:** [dpmannouncement1@miamidade.gov](mailto:dpmannouncement1@miamidade.gov)  
**To:** [Lee, Jesus \(SPD\)](#); [Rioseco, Ana \(DTPW\)](#)  
**Cc:** [Khan, Adil A. \(SPD\)](#)  
**Subject:** New Modification request for RFP-00456--- 40 FT. BATTERY & ELECTRIC BUSES  
**Date:** Thursday, December 22, 2022 1:31:58 PM

---

Dear Jesus Lee ,

A new modification is requested for the contract mentioned below and needs your attention

Module : Contract Mdfications  
From : Ana Rioseco  
Contract # : RFP-00456  
Title : 40 FT. BATTERY & ELECTRIC BUSES

Modification Type: Increase Money

Amount : \$7,022,234.00

Funding Source : DTPW Operating;

Click here to login : <https://s0145200.miamidade.gov/eProcurement/Login.aspx>

Regards,  
Procurement Management



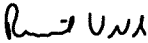
Internal Services Department  
 Procurement Management Services Division  
 111 NW 1 ST, Suite 1300, Miami, FL 33128  
 Phone: 305-375-5289  
[www.miamidade.gov/procurement](http://www.miamidade.gov/procurement)

## CONTRACT MODIFCATION REQUEST

<b>Contract No.:</b>	RFP-00456
<b>Contract Title:</b>	BATTERY-ELECTRIC BUSES AND CHARGING SYSTEMS
<b>Increase Allocation By (\$):</b>	\$7,022,234
<b>Department:</b>	DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS
<b>Funding Source:</b>	FEDERAL TRANSIT ADMINISTRATION/ PTP SURTAX
<b>Current Contract Allocation:</b>	\$72,176,322
<b>Remaining Allocation:</b>	\$552,337.42
<b>Justification:</b>	<p>This contract is currently being utilized for the purchase of seventy-five (75) Battery-Electric Buses and installation of depot chargers (charging systems) throughout the three maintenance garages.</p> <p>As per contract RFP-00456 Article 8- Pricing; Awarded prices shall be the Base Order Price and Customer Configurable Options ( Attachment C and D), and shall remain firm and fixed for one hundred eight (180) days after contract award. After the initial 180 day firm and fixed price period, the price shall be calculated based on the formula below, which utilizes the U.S Department of Labor/ Bureau Of Labor Statistics Producer Price Index (PPI) Category 1413, "Trucks and Bus Bodies-  <a href="http://data.bls.gov/govtimeseries/WPU1413">http://data.bls.gov/govtimeseries/WPU1413</a>.</p> <p>On October 28th, 2022, County Attorney Bruce Libhaber opined as follows:</p> <p>"I have been advised that after Notice to Proceed and issuance of the Purchase Order but prior to fabrication of the buses, the County advised Proterra to hold off on delivery of the buses due to the County considering the use of a different battery for the bus. I have been advised that that hold on delivery exceeded 180 days. Assuming the facts as stated are accurate, the County can adjust the processing/payment of the invoice to include adjustments for the Producer Price Index (PPI)."</p> <p>Therefore, a year-over-year price adjustment for is 33 buses (Pilot bus and additional 32 buses) and chargers was applied. The price adjustment was for buses and chargers starting with the unit price in 2018 and multiplying by the PPI each year through 2022. Similar modification applied to the remaining 42 buses and chargers.</p> <p>The price of these buses is requested to be revised, to include the PPI adjustments. The total amount requested for the PPI adjustments total \$7,022,234.</p>
<b>Additional Attachments/Comments:</b>	

CONTRACT MODIFCATION REQUEST

**Approved By:**

<i>Signature:</i>	
<i>Name:</i>	Robert Villar
<i>Title:</i>	Assistant Director & CFO
<i>Today's Date:</i>	December 21, 2022

*Director or Designee Signature Required*





# Mod RFP-00456 PROTERRA FINAL 12.21.22 amr

Final Audit Report

2022-12-21

Created:	2022-12-21
By:	Andrea Fowler (andrea.fowler@miamidade.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAA9aGAKgPTj0YRDJnGANqwbremInpdpp_M

## "Mod RFP-00456 PROTERRA FINAL 12.21.22 amr" History

-  Document created by Andrea Fowler (andrea.fowler@miamidade.gov)  
2022-12-21 - 7:47:10 PM GMT
-  Document emailed to Robert Villar (robert.villar@miamidade.gov) for signature  
2022-12-21 - 7:48:12 PM GMT
-  Document e-signed by Robert Villar (robert.villar@miamidade.gov)  
Signature Date: 2022-12-21 - 8:01:02 PM GMT - Time Source: server
-  Agreement completed.  
2022-12-21 - 8:01:02 PM GMT



**From:** [Uppal, Namita \(SPD\)](#)  
**To:** [Lee, Jesus \(SPD\)](#); [Rioseco, Ana \(DTPW\)](#)  
**Cc:** [Libhaber, Bruce \(CAO\)](#); [Stroman, Vanessa \(SPD\)](#)  
**Subject:** FW: Proterra, PPI price calculations of 1st Order, 2.24.23  
**Date:** Friday, March 10, 2023 4:24:06 PM  
**Attachments:** [image001.png](#)  
[image002.jpg](#)  
[PO TP 0941 PROTERRA - PPI.pdf](#)  
[PO TP 2584 - PROTERRA PPI.pdf](#)  
[RE Porotera.msg](#)  
[PO TP 0940 PROTERRA -PPI ADDED.pdf](#)  
[PO TP 2584 PROTERRA - REDUCED AMOUNT.pdf](#)

Jesus/Ana- Its hard to follow these purchase orders for Proterra and it seems some PPI increase was included. Can you tell me what PPI increase was included- % and amount?

**Namita Uppal**, C.P.M.

Director & Chief Procurement Officer

**Miami-Dade County Strategic Procurement Department**

Phone: (305) 375-1574

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**From:** Delgado, Carlos (DTPW) <Carlos.Delgado2@miamidade.gov>

**Sent:** Friday, February 24, 2023 2:55 PM

**To:** Lee, Jesus (SPD) <Jesus.Lee@miamidade.gov>; Uppal, Namita (SPD) <Namita.Uppal@miamidade.gov>; Goldsmith, Beth (DTPW) <Beth.Goldsmith@miamidade.gov>; Armorer, Colin (DTPW) <Colin.Armorer@miamidade.gov>; Martinez, Rebeca (DTPW) <Rebeca.Martinez@miamidade.gov>; Stroman, Vanessa (SPD) <Vanessa.Stroman@miamidade.gov>

**Cc:** Cleckley, Eulois (DTPW) <Eulois.Cleckley@miamidade.gov>

**Subject:** RE: Proterra, PPI price calculations of 1st Order, 2.24.23

Jesus,

Attached are the POs to review the details of the changes.

Thanks,

Carlos M. Delgado, M.B.A., P.E., CVFI, Field Test Engineer

Department of Transportation and Public Works / Infrastructure & Engineering

3300 NW 32<sup>nd</sup> Avenue, Miami, Florida 33142

Phone: (305) 637-3709

[www.miamidade.gov/transit](http://www.miamidade.gov/transit)

**From:** Lee, Jesus (SPD) <[Jesus.Lee@miamidade.gov](mailto:Jesus.Lee@miamidade.gov)>

**Sent:** Friday, February 24, 2023 11:38 AM

**To:** Delgado, Carlos (DTPW) <[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>; Uppal, Namita (SPD) <[Namita.Uppal@miamidade.gov](mailto:Namita.Uppal@miamidade.gov)>; Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>; Armorer, Colin (DTPW) <[Colin.Armorer@miamidade.gov](mailto:Colin.Armorer@miamidade.gov)>; Martinez, Rebeca (DTPW) <[Rebeca.Martinez@miamidade.gov](mailto:Rebeca.Martinez@miamidade.gov)>; Stroman, Vanessa (SPD) <[Vanessa.Stroman@miamidade.gov](mailto:Vanessa.Stroman@miamidade.gov)>

**Cc:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>

**Subject:** RE: Proterra, PPI price calculations of 1st Order, 2.24.23

Attached is the updated mayor's memo showing the increase to the contract of \$568,972.80 (\$17,241.60 x 33 buses). This amount represents the 1.92% price increase to the 33 first order

buses. However, in the emails below, I see mention of a second order for 42 buses in May 2021. Does the memo need to include this second order? If so, that requires a second calculation and recalculate mayor's authority. Please let us know.

Thanks,  
Jesus

---

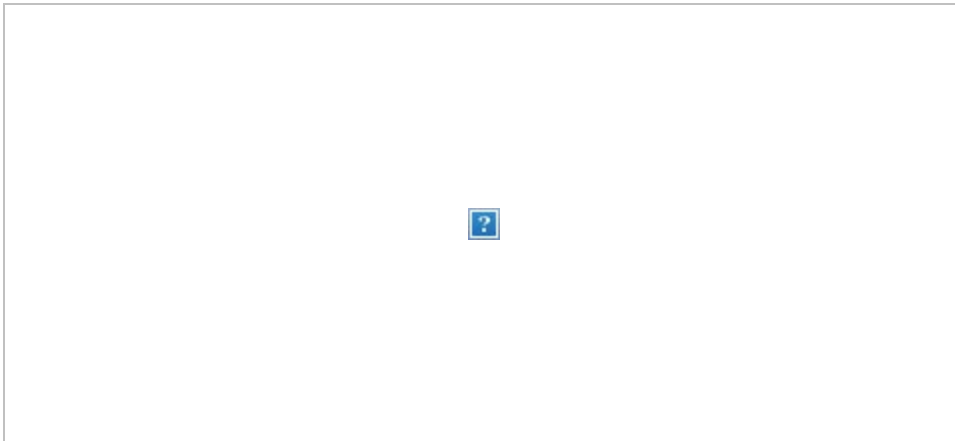
**From:** Lee, Jesus (SPD)  
**Sent:** Friday, February 24, 2023 11:03 AM  
**To:** Delgado, Carlos (DTPW) <[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>; Uppal, Namita (SPD) <[Namita.Uppal@miamidade.gov](mailto:Namita.Uppal@miamidade.gov)>; Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>; Armorer, Colin (DTPW) <[Colin.Armorer@miamidade.gov](mailto:Colin.Armorer@miamidade.gov)>; Martinez, Rebeca (DTPW) <[Rebeca.Martinez@miamidade.gov](mailto:Rebeca.Martinez@miamidade.gov)>; Stroman, Vanessa (SPD) <[Vanessa.Stroman@miamidade.gov](mailto:Vanessa.Stroman@miamidade.gov)>  
**Cc:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>  
**Subject:** RE: Proterra, PPI price calculations of 1st Order, 2.24.23

Thanks Carlos,

Attached is the PPI index and spreadsheet I used to calculate the price adjustment for the first bus order. If there are any discrepancies or disagreements as to the dates and formula datapoints used, please let me know now before it's finalized. The price of each bus for this first order should be \$915,241.60 as illustrated below and in attached spreadsheet.

Base Award Month: October 2019

Future Award Month: January 2021

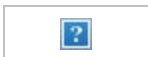


Regards,  
Jesus Lee, CPPB, Procurement Contracting Officer 3

**Strategic Procurement Department**  
**Miami-Dade County**  
**111 NW 1 Street, Ste.1300 Miami FL 33128**

(305) 375-4264

<http://www.miamidade.gov/procurement>



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---

**From:** Delgado, Carlos (DTPW) <[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>  
**Sent:** Friday, February 24, 2023 10:29 AM  
**To:** Uppal, Namita (SPD) <[Namita.Uppal@miamidade.gov](mailto:Namita.Uppal@miamidade.gov)>; Lee, Jesus (SPD)

<[Jesus.Lee@miamidade.gov](mailto:Jesus.Lee@miamidade.gov)>

**Cc:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>; Stroman, Vanessa (SPD) <[Vanessa.Stroman@miamidade.gov](mailto:Vanessa.Stroman@miamidade.gov)>; Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>; Armorer, Colin (DTPW) <[Colin.Armorer@miamidade.gov](mailto:Colin.Armorer@miamidade.gov)>; Martinez, Rebeca (DTPW) <[Rebeca.Martinez@miamidade.gov](mailto:Rebeca.Martinez@miamidade.gov)>

**Subject:** Re: Proterra

Good morning Jesus and Namita,

Request for same battery pack for pilot bus and production buses was made on January 21, 2021 during the Pre-production meeting.

Thanks,

Carlos Delgado

Sent via the Samsung Galaxy S20 FE 5G, an AT&T 5G smartphone

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---

**From:** Uppal, Namita (SPD) <[Namita.Uppal@miamidade.gov](mailto:Namita.Uppal@miamidade.gov)>

**Sent:** Friday, February 24, 2023 10:19:29 AM

**To:** Lee, Jesus (SPD) <[Jesus.Lee@miamidade.gov](mailto:Jesus.Lee@miamidade.gov)>; Delgado, Carlos (DTPW)

<[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>

**Cc:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>; Stroman, Vanessa (SPD) <[Vanessa.Stroman@miamidade.gov](mailto:Vanessa.Stroman@miamidade.gov)>; Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>; Armorer, Colin (DTPW) <[Colin.Armorer@miamidade.gov](mailto:Colin.Armorer@miamidade.gov)>; Martinez, Rebeca (DTPW) <[Rebeca.Martinez@miamidade.gov](mailto:Rebeca.Martinez@miamidade.gov)>

**Subject:** RE: Proterra

Beth, Can you assist? Staff needs this information to verify PPI calculations and submit the mod to the Mayor.

**Namita Uppal**, C.P.M.

Director & Chief Procurement Officer

**Miami-Dade County Strategic Procurement Department**

Phone: (305) 375-1574

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---

**From:** Lee, Jesus (SPD) <[Jesus.Lee@miamidade.gov](mailto:Jesus.Lee@miamidade.gov)>

**Sent:** Friday, February 24, 2023 8:25 AM

**To:** Delgado, Carlos (DTPW) <[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>

**Cc:** Uppal, Namita (SPD) <[Namita.Uppal@miamidade.gov](mailto:Namita.Uppal@miamidade.gov)>; Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>; Stroman, Vanessa (SPD) <[Vanessa.Stroman@miamidade.gov](mailto:Vanessa.Stroman@miamidade.gov)>; Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>; Armorer, Colin (DTPW) <[Colin.Armorer@miamidade.gov](mailto:Colin.Armorer@miamidade.gov)>; Martinez, Rebeca (DTPW) <[Rebeca.Martinez@miamidade.gov](mailto:Rebeca.Martinez@miamidade.gov)>

**Subject:** RE: Proterra

Good morning Carlos,

Thank you. I read Article 8 PRICING as "**Awarded** Prices" shall remain for 180 days. "Award" by BCC was October 2019, but are you saying we should use the NTP date of December as the Base Award Month per the price clause? Then, pursuant to Bruce's email attached and excerpt below, DTPW placed a hold on the first order after NTP. I need the date the "HOLD" was lifted for the first order?

This date would then be the Future Award Month in the price clause, used to calculate the PPI if over 180 days from Base Award Month. Please let me know if you concur and that missing date.

***"I have been advised that after Notice to Proceed and issuance of the Purchase Order but prior to fabrication of the buses, the County advised Proterra to hold off on delivery of the buses due to the County considering the use of a different battery for the bus. I have been advised that that hold on delivery exceeded 180 days."***

-December 10, 2019 - NTP For 33 Electric Buses and Chargers

(Hold placed by DTPW and then lifted)???

-March 1, 2021 - PO for 42 Chargers

-May 19, 2021 - NTP for Additional 42 Buses

Thanks,

Jesus

---

**From:** Delgado, Carlos (DTPW) <[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>

**Sent:** Thursday, February 23, 2023 8:45 PM

**To:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>; Uppal, Namita (SPD) <[Namita.Uppal@miamidade.gov](mailto:Namita.Uppal@miamidade.gov)>

**Cc:** Stroman, Vanessa (SPD) <[Vanessa.Stroman@miamidade.gov](mailto:Vanessa.Stroman@miamidade.gov)>; Lee, Jesus (SPD) <[Jesus.Lee@miamidade.gov](mailto:Jesus.Lee@miamidade.gov)>; Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>; Armorer, Colin (DTPW) <[Colin.Armorer@miamidade.gov](mailto:Colin.Armorer@miamidade.gov)>; Martinez, Rebeca (DTPW) <[Rebeca.Martinez@miamidade.gov](mailto:Rebeca.Martinez@miamidade.gov)>

**Subject:** RE: Proterra

Namita,

Attached and below is the requested NTP information:

-December 10, 2019 - NTP For 33 Electric Buses and Chargers

-March 1, 2021 - PO for 42 Chargers

-May 19, 2021 - NTP for Additional 42 Buses

Please advise.

Thanks,

Carlos M. Delgado, M.B.A., P.E., CVFI, Field Test Engineer

Department of Transportation and Public Works / Infrastructure & Engineering

3300 NW 32<sup>nd</sup> Avenue, Miami, Florida 33142

Phone: (305) 637-3709

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---

**From:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>

**Sent:** Thursday, February 23, 2023 5:02 PM

**To:** Uppal, Namita (SPD) <[Namita.Uppal@miamidade.gov](mailto:Namita.Uppal@miamidade.gov)>

**Cc:** Stroman, Vanessa (SPD) <[Vanessa.Stroman@miamidade.gov](mailto:Vanessa.Stroman@miamidade.gov)>; Lee, Jesus (SPD) <[Jesus.Lee@miamidade.gov](mailto:Jesus.Lee@miamidade.gov)>; Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>; Delgado, Carlos (DTPW) <[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>

**Subject:** Re: Proterra

Will do.

Carlos, please assist

Sent via the Samsung Galaxy Note20 5G, an AT&T 5G smartphone

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**From:** Uppal, Namita (SPD) <[Namita.Uppal@miamidade.gov](mailto:Namita.Uppal@miamidade.gov)>

**Sent:** Thursday, February 23, 2023 5:00:26 PM

**To:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>

**Cc:** Stroman, Vanessa (SPD) <[Vanessa.Stroman@miamidade.gov](mailto:Vanessa.Stroman@miamidade.gov)>; Lee, Jesus (SPD) <[Jesus.Lee@miamidade.gov](mailto:Jesus.Lee@miamidade.gov)>; Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>

**Subject:** Proterra

Director Cleckley, We are trying get actual order dates for the electric buses for us to validate PPI calculations performed by DTPW. Please have your staff send us the NTP or emails when the actual orders were placed.

**Namita Uppal, C.P.M.**

Director & Chief Procurement Officer

**Miami-Dade County Strategic Procurement Department**

Phone: (305) 375-1574

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**From:** [Goldsmith, Beth \(DTPW\)](#)  
**To:** [Liu, Peter F. \(OIG\)](#)  
**Subject:** FW: Electric Buses - Increase  
**Date:** Tuesday, April 2, 2024 7:27:37 PM  
**Attachments:** [image001.png](#)  
[PO-Change Calculations.xlsx](#)  
[Proterra Miami Price Modification Memo.pdf](#)  
[NTP and POMT2000951 - 33 Buses and Charges.pdf](#)  
[PO-2584 - 42 Buses.pdf](#)  
[PO-0941-42 Chargers.pdf](#)

---

Just FYI.

**Beth Goldsmith, CPPB, ENV SP**

Chief Strategy Officer

(786) 469-5456

Miami-Dade County Department of Transportation and Public Works

701 NW 1<sup>st</sup> Court, 17<sup>th</sup> Floor

Miami, FL 33136

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---

**From:** Goldsmith, Beth (DTPW)  
**Sent:** Monday, March 13, 2023 10:52 PM  
**To:** Uppal, Namita (SPD) <Namita.Uppal@miamidade.gov>  
**Cc:** Cleckley, Eulois (DTPW) <Eulois.Cleckley@miamidade.gov>  
**Subject:** RE: Electric Buses - Increase

Good Evening Namita,

Per your request, then information I have been able to gather is as follows:

- The Notice to Proceed for 33 buses (1 Pilot and 32 Production Buses) was issued December 10, 2019, along with the corresponding PO (attached).
- Conversations around the specifications of buses (as I understand it, primarily around the battery) were held between this date and the Pre-production Meeting, which was held January 21, 2021. A verbal authorization to proceed with given during this meeting and production of the buses commenced. This is the date that has been used as the updated order date, though I have not been able to locate a revised NTP or PO. These units were delivered in August 2022.
- The PO No. 941 for 42 charges was issued April 28, 2021 (attached). There is not a Notice to Proceed for this purchase that I have been able to locate. I believe this should constitute the order date for purposes of the adjustment. Previously a March 2021 date was being used, though I am not clear as to what this date was derived from. Per the PO, changes were issued on 12/13/2022, resulting in the quantity being changed from 42 to 38.
- The Notice to Proceed for 42 additional buses was issued May 19, 2021 (attached). This is the

date that was being used as the order date for the adjustment for second set of buses. The PO No. 2584 associated with this Notice to Proceed was issued August 25, 2021 (attached). I believe that the date of the PO would be indicative of order date, but understand that NTP date has been used in previous calculations. Per the PO, changes were issued to the PO on 12/10/2021, 9/25/2022, 11/1/2022, and 12/13/2022, ultimately resulting in the quantity being reduced to 34 from the original 42. The 34 were delivered in January 2023.

The pricing update memo received September 15, 2022 is also attached. The changes to the POs were based upon the attached calculations in the excel spreadsheet. Proterra accepted the revised POs.

Thank you,

**Beth Goldsmith, CPPB, ENV SP1/2022**

Chief Strategy Officer

**Miami-Dade County Department of Transportation and Public Works**

701 NW 1st Court

Suite 1700

Miami, Florida 33136

786-469-5456 Phone



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---

**From:** Uppal, Namita (SPD) <[Namita.Uppal@miamidade.gov](mailto:Namita.Uppal@miamidade.gov)>  
**Sent:** Monday, March 13, 2023 6:35 PM  
**To:** Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>  
**Cc:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>  
**Subject:** Re: Electric Buses - Increase

No apologies needed. I know you are trying to solve this mystery too.

---

**From:** Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>  
**Sent:** Friday, March 10, 2023 11:27 AM  
**To:** Uppal, Namita (SPD) <[Namita.Uppal@miamidade.gov](mailto:Namita.Uppal@miamidade.gov)>  
**Cc:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>  
**Subject:** RE: Electric Buses - Increase

Thanks so much for the update! I will reach out to staff to gather the requested information.

Thank you,

**Beth Goldsmith, CPPB, ENV SP**  
Chief Strategy Officer  
**Miami-Dade County Department of Transportation and Public Works**  
701 NW 1st Court  
Suite 1700  
Miami, Florida 33136  
786-469-5456 Phone



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---

**From:** Uppal, Namita (SPD) <[Namita.Uppal@miamidade.gov](mailto:Namita.Uppal@miamidade.gov)>  
**Sent:** Friday, March 10, 2023 11:26 AM  
**To:** Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>  
**Cc:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>  
**Subject:** RE: Electric Buses - Increase

Beth, We will send to 29 today. Can you send me the letter/email that was issued by DTPW to Proterra to hold off on the production of 33 buses and the subsequent letter/email to resume with the order?

Thanks,

**Namita Uppal, C.P.M.**  
Director & Chief Procurement Officer  
**Miami-Dade County Strategic Procurement Department**  
Phone: (305) 375-1574  
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---

**From:** Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>  
**Sent:** Wednesday, March 8, 2023 5:11 PM



**To:** Uppal, Namita (SPD) <[Namita.Uppal@miamidade.gov](mailto:Namita.Uppal@miamidade.gov)>  
**Cc:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>  
**Subject:** RE: Electric Buses - Increase  
**Importance:** High

Good Afternoon Namita,

I apologize for the delay in my response. DTPW is requesting to proceed with the modification based upon the most recent calculations provided by SPD staff in the amount of \$1,943,042.67. The content of the draft memo is accurate once the updated figure is included. We need to move this forward as expeditiously as possible to allow DTPW staff to process a PO by the early part of next week. Please let us know if there is any assistance that we can provide in expediting this request.

Thank you,

**Beth Goldsmith, CPPB, ENV SP**

Chief Strategy Officer

(786) 469-5456

Miami-Dade County Department of Transportation and Public Works

701 NW 1st Court, 17th Floor

Miami, FL 33136

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---

**From:** Uppal, Namita (SPD) <[Namita.Uppal@miamidade.gov](mailto:Namita.Uppal@miamidade.gov)>  
**Sent:** Friday, February 24, 2023 1:18 PM  
**To:** Cleckley, Eulois (DTPW) <[Eulois.Cleckley@miamidade.gov](mailto:Eulois.Cleckley@miamidade.gov)>  
**Cc:** Goldsmith, Beth (DTPW) <[Beth.Goldsmith@miamidade.gov](mailto:Beth.Goldsmith@miamidade.gov)>  
**Subject:** Electric Buses - Increase

Director Cleckley, Based on the price adjustment allowed in the contract, the calculated increase amounts to \$1.6 million. It is based on the order date and index allowed. I am unclear as to how DTPW staff calculated the increase to be \$7 million. We can discuss once you have the chance to review. Copying Beth.

**Namita Uppal, C.P.M.**

Director & Chief Procurement Officer

**Miami-Dade County Strategic Procurement Department**

Phone: (305) 375-1574

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*Floor Contact Person:* Claude Francis at [305-375-5137](tel:305-375-5137).



Requisitions

Req Inquiry

☰ 🔍

Requisition Details

---

**Unit** Req ID 0000010618

**Requester** Martinez, Rebeca

**Requisition Date** 09/19/2022

**Req Status** Approved

**Merchandise Amount** 33,609,457.49 USD

**Pre-Encumbrance Balance** 33,609,457.49 USD

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☰ 🔍

Details
More
Contract
||▶

Line▲	Status	Item ID	Description	Original Substituted Item	Description	Supplier ID	Sup ID Num	Supplier	Req Qty	UOM	Merchandise Amt	
1	Approved		Protterra Pilot Bus						1.0000	Each	942,849.57	USD
2	Approved		Protterra Electric buses remain						32.0000	Each	29,289,902.72	USD
3	Approved		Electric Bus Chargers						33.0000	Each	3,376,705.20	USD

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**From:** [Rioseco, Ana \(DTPW\)](#)  
**To:** [Delgado, Carlos \(DTPW\)](#); [Armorer, Colin \(DTPW\)](#); [Martinez, Rebeca \(DTPW\)](#)  
**Cc:** [Villar, Robert \(DTPW\)](#); [Rioseco, Ana \(DTPW\)](#)  
**Subject:** RE: REQUISITION # 10618 - PROTERRA PRICE ADJUSTMENT  
**Date:** Tuesday, September 20, 2022 2:58:26 PM  
**Attachments:** [image001.png](#)

---

Hello everyone: I am so sorry; however, I am not going to be able to use this requisition. By the time the agenda item travels to all committees, it will take a few months and this req will give me post edit errors due to the fiscal year.

Nevertheless, is this ready for me to move forward as a contract modification? May I please have all the supporting documents/justification?

Ana

---

**From:** Delgado, Carlos (DTPW) <Carlos.Delgado2@miamidade.gov>  
**Sent:** Tuesday, September 20, 2022 10:20 AM  
**To:** Armorer, Colin (DTPW) <Colin.Armorer@miamidade.gov>; Martinez, Rebeca (DTPW) <Rebeca.Martinez@miamidade.gov>  
**Cc:** Villar, Robert (DTPW) <Robert.Villar@miamidade.gov>; Rioseco, Ana (DTPW) <Ana.Rioseco@miamidade.gov>  
**Subject:** Re: REQUISITION # 10618 - PROTERRA PRICE ADJUSTMENT

Colin,

Thanks.

Regards,

Carlos Delgado

Sent via the Samsung Galaxy S20 FE 5G, an AT&T 5G smartphone  
 Get [Outlook for Android](#)

---

**From:** Armorer, Colin (DTPW) <[Colin.Armorer@miamidade.gov](mailto:Colin.Armorer@miamidade.gov)>  
**Sent:** Monday, September 19, 2022 1:19:07 PM  
**To:** Martinez, Rebeca (DTPW) <[Rebeca.Martinez@miamidade.gov](mailto:Rebeca.Martinez@miamidade.gov)>  
**Cc:** Villar, Robert (DTPW) <[Robert.Villar@miamidade.gov](mailto:Robert.Villar@miamidade.gov)>; Rioseco, Ana (DTPW) <[Ana.Rioseco@miamidade.gov](mailto:Ana.Rioseco@miamidade.gov)>; Delgado, Carlos (DTPW) <[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>  
**Subject:** RE: REQUISITION # 10618 - PROTERRA PRICE ADJUSTMENT

Good afternoon Rebeca.

REQUISITION # 10618 has been approved.

Thanks.

Colin Armorer

Department of Transportation and Public Works

Infrastructure & Field Engineering

Phone: 786-469-5173

---

**From:** Martinez, Rebeca (DTPW) <[Rebeca.Martinez@miamidade.gov](mailto:Rebeca.Martinez@miamidade.gov)>  
**Sent:** Monday, September 19, 2022 2:09 PM  
**To:** Armorer, Colin (DTPW) <[Colin.Armorer@miamidade.gov](mailto:Colin.Armorer@miamidade.gov)>

**Cc:** Villar, Robert (DTPW) <[Robert.Villar@miamidade.gov](mailto:Robert.Villar@miamidade.gov)>; Rioseco, Ana (DTPW) <[Ana.Rioseco@miamidade.gov](mailto:Ana.Rioseco@miamidade.gov)>; Delgado, Carlos (DTPW) <[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>; Martinez, Rebeca (DTPW) <[Rebeca.Martinez@miamidade.gov](mailto:Rebeca.Martinez@miamidade.gov)>

**Subject:** REQUISITION # 10618 - PROTERRA PRICE ADJUSTMENT

**Importance:** High

Good Afternoon Colin:

Please approve the attached requisition # 10618, for the Proterra price adjustment.

Than you,  
Rebeca

---

**From:** Delgado, Carlos (DTPW) <[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>

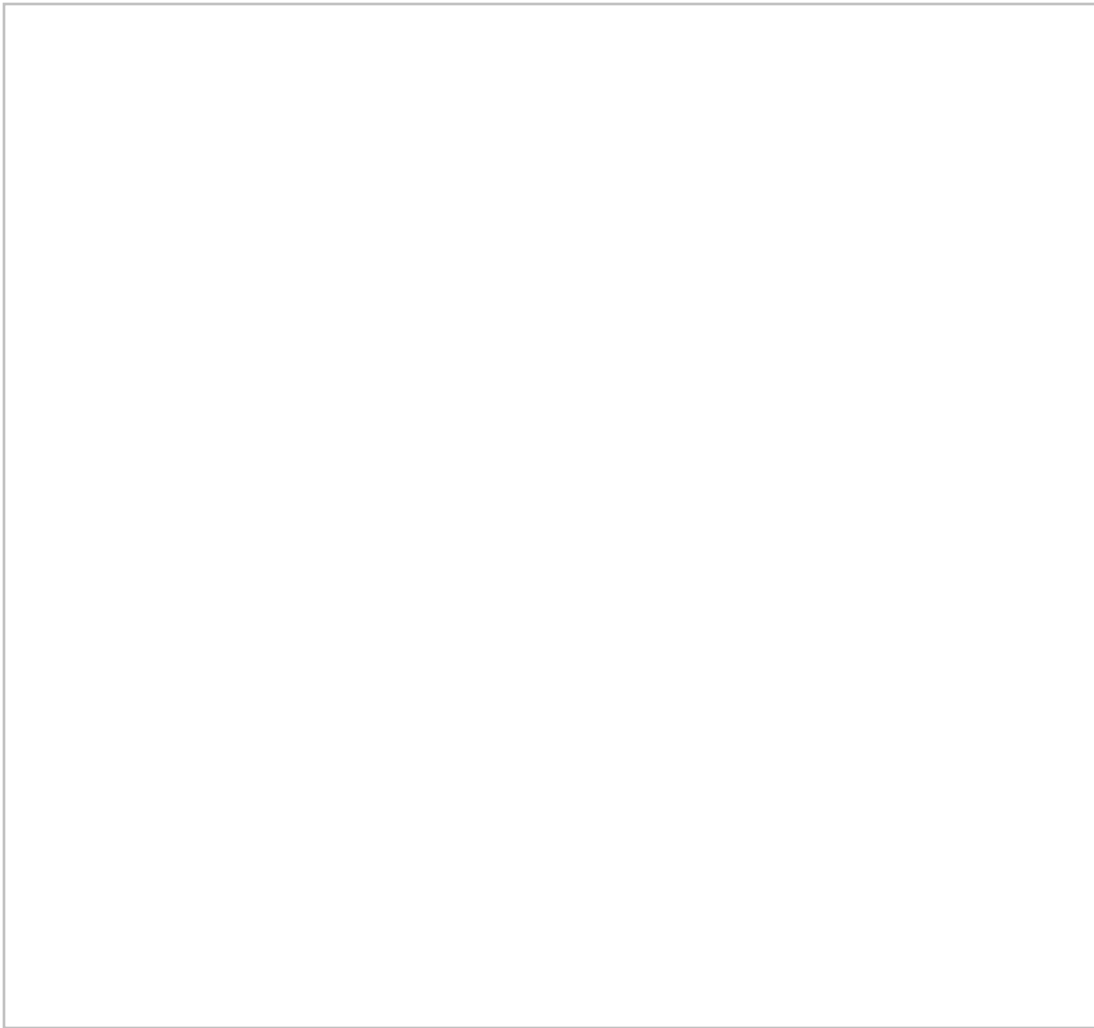
**Sent:** Monday, September 19, 2022 9:07 AM

**To:** Martinez, Rebeca (DTPW) <[Rebeca.Martinez@miamidade.gov](mailto:Rebeca.Martinez@miamidade.gov)>; Rioseco, Ana (DTPW) <[Ana.Rioseco@miamidade.gov](mailto:Ana.Rioseco@miamidade.gov)>; Villar, Robert (DTPW) <[Robert.Villar@miamidade.gov](mailto:Robert.Villar@miamidade.gov)>; Armorer, Colin (DTPW) <[Colin.Armorer@miamidade.gov](mailto:Colin.Armorer@miamidade.gov)>

**Subject:** FW: Proterra

Good morning Rebeca,

In addition to the revision of purchase order to add the Conseal to the remaining 32 Proterra buses a revision to the purchase order TP-0000000940 is required to add a year over year price adjustment for 33 buses (Pilot bus and additional 32 buses) and chargers. The price adjustment is for buses and chargers starting with the unit price in 2018 and multiplying by the PPI each year through 2022 based on Article 8. Pricing of contract RFP No. 00456 attached below .



Also attached is Proterra Update # 3 Notification which provide details of the price adjustment. Note that a requisition is required in order to update the PO. Please advise.

Thanks,

Carlos M. Delgado, M.B.A., P.E., CVFI, Field Test Engineer  
Department of Transportation and Public Works / Infrastructure & Engineering  
3300 NW 32<sup>nd</sup> Avenue, Miami, Florida 33142  
Phone: (305) 637-3709  
[www.miamidade.gov/transit](http://www.miamidade.gov/transit)

---

**From:** Rioseco, Ana (DTPW) <[Ana.Rioseco@miamidade.gov](mailto:Ana.Rioseco@miamidade.gov)>

**Sent:** Wednesday, September 14, 2022 11:32 AM

**To:** Villar, Robert (DTPW) <[Robert.Villar@miamidade.gov](mailto:Robert.Villar@miamidade.gov)>; Delgado, Carlos (DTPW) <[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>

**Cc:** Rioseco, Ana (DTPW) <[Ana.Rioseco@miamidade.gov](mailto:Ana.Rioseco@miamidade.gov)>

**Subject:** RE: Proterra

The PM submits justification and a budget approved requisition to include the backup documentation of the calculation.

My division will process the MOD through our bid tracking system to ISD to take this to CITT and BCC.

Ana

---

**From:** Villar, Robert (DTPW) <[Robert.Villar@miamidade.gov](mailto:Robert.Villar@miamidade.gov)>  
**Sent:** Wednesday, September 14, 2022 10:49 AM  
**To:** Rioseco, Ana (DTPW) <[Ana.Rioseco@miamidade.gov](mailto:Ana.Rioseco@miamidade.gov)>; Delgado, Carlos (DTPW) <[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>  
**Cc:** Rioseco, Ana (DTPW) <[Ana.Rioseco@miamidade.gov](mailto:Ana.Rioseco@miamidade.gov)>  
**Subject:** Re: Proterra

Great! Who will take the lead on drafting the item?

**Robert Villar**, Chief Financial Officer  
Miami-Dade County Department of Transportation and Public Works  
Overtown Transit Village  
701 NW 1st Court 17th Floor  
Miami, FL 33136  
[robert.villar@miamidade.gov](mailto:robert.villar@miamidade.gov)  
786-469-5168 office  
786-473-4248 cell

---

**From:** Rioseco, Ana (DTPW) <[Ana.Rioseco@miamidade.gov](mailto:Ana.Rioseco@miamidade.gov)>  
**Sent:** Wednesday, September 14, 2022 10:46:54 AM  
**To:** Villar, Robert (DTPW) <[Robert.Villar@miamidade.gov](mailto:Robert.Villar@miamidade.gov)>; Delgado, Carlos (DTPW) <[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>  
**Cc:** Rioseco, Ana (DTPW) <[Ana.Rioseco@miamidade.gov](mailto:Ana.Rioseco@miamidade.gov)>  
**Subject:** RE: Proterra

Hi Robert,  
This requires BCC approval.  
Ana

---

**From:** Villar, Robert (DTPW) <[Robert.Villar@miamidade.gov](mailto:Robert.Villar@miamidade.gov)>  
**Sent:** Wednesday, September 14, 2022 9:54 AM  
**To:** Rioseco, Ana (DTPW) <[Ana.Rioseco@miamidade.gov](mailto:Ana.Rioseco@miamidade.gov)>; Delgado, Carlos (DTPW) <[Carlos.Delgado2@miamidade.gov](mailto:Carlos.Delgado2@miamidade.gov)>  
**Subject:** Proterra

Ana, the BCC award was for \$72,176,332, it looks like the PPI adjustment may raise to overall number to \$76.3 million approximately 6% above the awarded amount. Can this be done administratively, or will it require going back to the board?

Robert

**Robert Villar**, Chief Financial Officer  
Miami-Dade County Department of Transportation and Public Works  
Overtown Transit Village  
701 NW 1st Court 17th Floor  
Miami, FL 33136  
[robert.villar@miamidade.gov](mailto:robert.villar@miamidade.gov)  
786-469-5168 office  
786-473-4248 cell  
Lobbyists must register with Clerk of the Board:  
111 NW 1st Street, 17th Floor  
Miami, FL 33128  
305-375-5137

**From:** [Cleckley, Eulois \(DTPW\)](#)  
**To:** [Adgerson, Sean \(DTPW\)](#); [Rioseco, Ana \(DTPW\)](#); [Delgado, Carlos \(DTPW\)](#)  
**Cc:** [Cruz-Casas, Carlos \(DTPW\)](#); [Villar, Robert \(DTPW\)](#); [Prochnicki, Patricia \(DTPW\)](#)  
**Subject:** FW: URGENT - CHANGE ORDER PROGRESS UPDATE  
**Date:** Monday, October 24, 2022 11:36:38 AM  
**Attachments:** [ATT00001.png](#)  
[ATT00002.jpg](#)  
[ATT00003.jpg](#)  
[ATT00004.jpg](#)  
[ATT00005.png](#)  
[image006.png](#)  
**Importance:** High

All-  
 We need to get this resolved. This has been an outstanding request for some time, so whatever documentation that is needed should be provided to process immediately.  
 CCC, please assist the team with processing.

Thanks-

**Eulois Cleckley**  
**Director and CEO**  
**Department of Transportation and Public Works**



Overtown Transit Village  
 701 NW 1<sup>st</sup> Court 17<sup>th</sup> Floor  
 Miami, FL 33136  
 Phone: 786-469-5406

**From:** John Dunn <jdunn@proterra.com>  
**Sent:** Monday, October 24, 2022 11:03 AM  
**To:** Rioseco, Ana (DTPW) <ana.rioseco@miamidade.gov>; Villar, Robert (DTPW) <robert.villar@miamidade.gov>; Cleckley, Eulois (DTPW) <eulois.cleckley@miamidade.gov>; jwalsh@proterra.com; lscoville@proterra.com; mfinnern@proterra.com  
**Cc:** Delgado, Carlos (DTPW) <carlos.delgado2@miamidade.gov>; mdhoore@proterra.com  
**Subject:** URGENT - CHANGE ORDER PROGRESS UPDATE  
**Importance:** High

EMAIL RECEIVED FROM EXTERNAL SOURCE

Ana,  
 Good morning ma'am – just tried to call you and left a voice mail. We require a meeting today to discuss the status of the Change Order to reflect the new pricing for your Proterra buses. Greatly appreciate your partnership in this as we have been working on this action for several months and came to an agreement that was confirmed by Mr Robert Villar via email on 27 SEP. Understand that the end of your fiscal year may have delayed the PO/Change order but we need the documentation to properly invoice MDT. I will be setting a call for 3:30PM today to close this urgent matter. Please advise if I should add anyone else from MDT to this call.

Thanks,

John



John Dunn (he, him, his)  
 Director, Customer Programs  
 PROTERRA Operating Co, Inc  
 P: 864.214.2663 M:803.883.6353



[JDunn@proterra.com](mailto:JDunn@proterra.com)

[www.proterra.com](http://www.proterra.com) | 1 Whitlee Ct, Greenville, SC 29607



**From:** [Cleckley, Eulois \(DTPW\)](#)  
**To:** [Lauren Scoville](#)  
**Subject:** RE: URGENT - CHANGE ORDER PROGRESS UPDATE  
**Date:** Monday, October 24, 2022 11:38:58 AM  
**Attachments:** [image006.png](#)  
[image007.png](#)  
[image011.png](#)

---

On it.

**Eulois Cleckley**  
**Director and CEO**  
**Department of Transportation and Public Works**



Overtown Transit Village  
701 NW 1<sup>st</sup> Court 17<sup>th</sup> Floor  
Miami, FL 33136  
Phone: 786-469-5406

---

**From:** Lauren Scoville <[lscoville@proterra.com](mailto:lscoville@proterra.com)>  
**Sent:** Monday, October 24, 2022 11:21 AM  
**To:** Cleckley, Eulois (DTPW) <[eulois.cleckley@miamidade.gov](mailto:eulois.cleckley@miamidade.gov)>  
**Subject:** Fwd: URGENT - CHANGE ORDER PROGRESS UPDATE

EMAIL RECEIVED FROM EXTERNAL SOURCE

Need your help please!

LC  
Sent from my iPhone

Begin forwarded message:

**From:** John Dunn <[jdunn@proterra.com](mailto:jdunn@proterra.com)>  
**Date:** October 24, 2022 at 10:03:08 AM CDT  
**To:** "Rioseco, Ana (DTPW)" <[ana.rioseco@miamidade.gov](mailto:ana.rioseco@miamidade.gov)>, "Villar, Robert (DTPW)" <[robert.villar@miamidade.gov](mailto:robert.villar@miamidade.gov)>, [eulois.cleckley@miamidade.gov](mailto:eulois.cleckley@miamidade.gov), John Walsh <[jwalsh@proterra.com](mailto:jwalsh@proterra.com)>, Lauren Scoville <[LScoville@proterra.com](mailto:LScoville@proterra.com)>, Mike Finnern <[mfinnern@proterra.com](mailto:mfinnern@proterra.com)>  
**Cc:** "Delgado, Carlos (DTPW)" <[carlos.delgado2@miamidade.gov](mailto:carlos.delgado2@miamidade.gov)>, Michael D'Hoore <[mdhoore@proterra.com](mailto:mdhoore@proterra.com)>  
**Subject:** URGENT - CHANGE ORDER PROGRESS UPDATE

Ana,

Good morning ma'am – just tried to call you and left a voice mail. We require a meeting today to discuss the status of the Change Order to reflect the new pricing for your Proterra buses. Greatly appreciate your partnership in this as we have been working on this action for several months and came to an agreement that was confirmed by Mr Robert Villar via email on 27 SEP. Understand that the end of your fiscal year may have delayed the PO/Change order but we need the documentation to properly invoice MDT. I will be setting a call for 3:30PM today to close this urgent matter. Please advise if I should add anyone else from MDT to this call.

Thanks,  
John



John Dunn (he, him, his)  
Director, Customer Programs  
PROTERRA Operating Co, Inc  
P: 864.214.2663  
M: 803.883.6353 | [JDunn@proterra.com](mailto:JDunn@proterra.com)  
[www.proterra.com](http://www.proterra.com) | 1 Whitlee Ct, Greenville, SC 29607



We value your feedback! [Click here to take our survey!](#)

**From:** [John Dunn](mailto:John.Dunn@proterra.com)  
**To:** [kfrancopadilla@proterra.com](mailto:kfrancopadilla@proterra.com); [ana.rioseco@miamidade.gov](mailto:ana.rioseco@miamidade.gov)  
**Cc:** [eulois.cleckley@miamidade.gov](mailto:eulois.cleckley@miamidade.gov); [lscoville@proterra.com](mailto:lscoville@proterra.com); [jwalsh@proterra.com](mailto:jwalsh@proterra.com); [mfinnern@proterra.com](mailto:mfinnern@proterra.com)  
**Subject:** Re: PPI PO  
**Date:** Monday, October 31, 2022 8:21:27 PM  
**Attachments:** [ATT101835.png](#)

EMAIL RECEIVED FROM EXTERNAL SOURCE

Ana,

Sorry for emailing you after hours but I did not get any texts from you today while I was traveling. I thought you had said you were going to provide an update to either me or Karina (Proterra CFO).

Please let me know soonest if there is anything you need from us to action this critically important PO. You can also reply to either me or Karina's email on this thread.

Call me anytime on my cell - [\(803\) 883-6353](tel:8038836353)

Thanks,  
John

---

**From:** Karina Padilla <[kfrancopadilla@proterra.com](mailto:kfrancopadilla@proterra.com)>  
**Sent:** Monday, October 31, 2022 9:47 AM  
**To:** John Dunn <[jdunn@proterra.com](mailto:jdunn@proterra.com)>; [ana.rioseco@miamidade.gov](mailto:ana.rioseco@miamidade.gov)  
 <[ana.rioseco@miamidade.gov](mailto:ana.rioseco@miamidade.gov)>  
**Subject:** RE: PPI PO

Good morning Ana,

Can you please give me a call on my cell phone today. I want to understand next steps for the PO to get issued. In our last call you mentioned there was a sequence of events that needed to occur. I believe we have gotten the first and most important one, legal opinion. But do want to understand the required protocol on your end.

Thanks in advance for your help.

Saludos,  
Karina



**Karina Franco Padilla**  
 Chief Financial Officer  
[512-924-4420](tel:5129244420)  
[kfrancopadilla@proterra.com](mailto:kfrancopadilla@proterra.com)  
[www.proterra.com](http://www.proterra.com) | 1 Whitlee Ct. Greenville, SC 29607



*Please consider the environment before printing*

---

**From:** John Dunn <jdunn@proterra.com>

**Sent:** Monday, October 31, 2022 9:40 AM

**To:** ana.rioseco@miamidade.gov; Karina Padilla <kfrancopadilla@proterra.com>

**Subject:** PPI PO

Ana,

Apologies for interrupting your staff meeting but appreciate you taking my call. Per our discussion - you and your team are on standby to cut the PO once you get some info from Bruce. You broke up in the middle of the conversation so I am unsure what exactly you need.

Once you get the info you said that you would text me. Please confirm. Greatly appreciate all efforts that your team can make to address this soonest as we have earnings this week and this is critical to us.

Thanks,  
John

**From:** [Morales, Wendy](#)  
**To:** [ECARBAUGH@PROTERRA.COM](mailto:ECARBAUGH@PROTERRA.COM)  
**Cc:** [lscoville@proterra.com](mailto:lscoville@proterra.com); [jwalsh@proterra.com](mailto:jwalsh@proterra.com); [mfinnern@proterra.com](mailto:mfinnern@proterra.com); [John Dunn](#); [kfrancopadilla@proterra.com](mailto:kfrancopadilla@proterra.com); [Ramos, Mike \(DTPW\)](#); [Rioseco, Ana \(DTPW\)](#); [Villar, Robert \(DTPW\)](#); [Cleckley, Eulois \(DTPW\)](#); [Martinez, Rebeca \(DTPW\)](#); [Armorer, Colin \(DTPW\)](#); [Delgado, Carlos \(DTPW\)](#)  
**Subject:** REVISED - PURCHASE ORDER TP 0940 PROTERRA ( PPI)  
**Date:** Tuesday, November 1, 2022 7:41:46 PM  
**Attachments:** [PO TP 0940 PROTERRA-PPI.pdf](#)

---

Good evening,

**Please confirm receipt of this email.**

Please see attached Revised Purchase Order , TP-000000940 to reflect correct pricing with PPI increase , under Contract # RFP-00456 40FT BATTERY & ELECTRIC BUSES.

In addition, please submit all invoices via email to [invsusb@miamidade.gov](mailto:invsusb@miamidade.gov)

Best Regards,

Wendy Morales  
Special Project Administrator 1  
Procurement Goods & Services Division  
Miami-Dade County  
Department of Transportation and Public Works (DTPW)  
701 NW 1 Court, 15<sup>th</sup> FL  
Miami, FL 33136  
Phone: 786-469-5319  
E-Mail: [Wendy.Morales@miamidade.gov](mailto:Wendy.Morales@miamidade.gov)  
Website: [www.miamidade.gov](http://www.miamidade.gov)



*"Delivering Excellence Every Day"* Connect With Us on [Twitter](#) | [Facebook](#) | [Instagram](#)

**From:** John Dunn  
**To:** [carlos.delgado2@miamidade.gov](mailto:carlos.delgado2@miamidade.gov); [santiago.padron@miamidade.gov](mailto:santiago.padron@miamidade.gov); [jesus.soguero@miamidade.gov](mailto:jesus.soguero@miamidade.gov); [william.texidor@miamidade.gov](mailto:william.texidor@miamidade.gov); [colin.armorer@miamidade.gov](mailto:colin.armorer@miamidade.gov)  
**Cc:** [mdhoore@proterra.com](mailto:mdhoore@proterra.com)  
**Subject:** Production units  
**Date:** Tuesday, March 29, 2022 3:25:30 PM  
**Attachments:** [ATT102035.png](#)  
[ATT102036.png](#)

EMAIL RECEIVED FROM EXTERNAL SOURCE


Carlos,




Per our discussion – was going to surprise you all with this tomorrow but since the call moved to Friday I wanted to send to you. Your 1<sup>st</sup> unit is about to enter the line. Line will index tomorrow and you'll officially be at S1. See below for snip and details for the "lead units". We'll discuss the schedule and everything else on Friday.

<p><b>MIAMI Production</b> Pre-S1</p>	
<ul style="list-style-type: none"> <li>- MIAMI 1 – 1: Currently at "pre-S1" and working ahead. Expect to move into S1 on 30 MAR per schedule.</li> <li>- MIAMI 1-1 and 1-2 will be "lead" units to incorporate learning / mods from Pilot unit in production build and validate Work Instructions (WI).</li> <li>- Balance of units (30) will enter the line in sequence ~2 wks</li> <li>- Request that radios and farebox base plates are sent to Proterra ATTN TO: David Miracle</li> </ul>	

We'll see you and Santiago on Tuesday 05 April.

Thanks,  
John

 John Dunn (he, him, his)  
 East Region Manager-Customer Program  
 Manager, PROTERRA  
 P: 864.214.2663  
 M: 803.883.6353 | [JJDunn@proterra.com](mailto:JJDunn@proterra.com)  
[www.proterra.com](http://www.proterra.com) | 1 Whitlee Ct, Greenville, SC 29607

We value your feedback! Click here to take our survey!

**MIAMI-DADE COUNTY**  
**OFFICE OF THE INSPECTOR GENERAL**



**CONTRACT OVERSIGHT REPORT**  
**APPENDIX A**

Response to the OIG Draft Report (4/7/24)  
(3 Pages)

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***Contract No. RFP-00456 Battery-Electric Buses and Charging System***

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**IG23-0007-O**  
**April 8, 2024**



## Memorandum



**Date:** April 7, 2024

**To:** Felix Jimenez, Inspector General

**From:** Daniella Levine Cava  
Mayor *Daniella Levine Cava*

**Subject:** Response to Draft Contract Oversight Report – RFP-00456 Battery-Electric Buses and Charging System – Ref. IG23-00007-0

Thank you for the opportunity to review and provide feedback on the Draft Contract Oversight Report – RFP-00456 Battery-Electric Buses and Charging System – Ref. IG23-00007-0 (the “Report”), issued on March 29, 2024. This response has been jointly prepared by the Department of Transportation and Public Works (“DTPW”) and the Strategic Procurement Department (“SPD”), in consultation with the County Attorney’s Office (“CAO”).

I sincerely appreciate the efforts of you and your staff on the thorough oversight, investigation, and analysis of Contract No. RFP00456 (the “Contract”). Thank you for your support of the recommendation to approve the pending Contract Amendment No. 1 scheduled for review by the Transportation, Mobility and Planning Committee on April 10, 2024. This contract amendment will allow the County to continue to receive warranty services for the fleet of Battery-Electric Buses that the County has invested in as part of our considerable commitment to improving transportation services in our community.

Upon review of the Draft Report, we offer the following items for consideration:

- Page 2, first full paragraph and Page 8, reference note 5: The Report states, “the future award dates were arbitrarily extended to February 2022 without justification” and “we take issue with Proterra and DTPW moving the goalpost to February 2022.” As stated in the Recommendation Memorandum and restated in this section of the Report, this is the date on which production of the buses was completed, not including the subsequent testing, commissioning, and delivery. Up until the completion of production, Proterra Inc. (“Proterra”) was exposed to pricing increases for materials, and accordingly, this was the requested date for the pricing adjustment cutoff from Proterra. While DTPW does not dispute that the dates used for pricing adjustments were calculated in a manner that was not allowable under the Contract, feedback from staff indicates that this date was not arbitrary, but rather based on the production completion date.
- Page 2, paragraph 2, Page 18, paragraph 4, and Page 22, recommendation 1: The Report recommends completing a retroactive amendment to the Contract to amend the pricing provisions to align with the prices paid. After consultation with the County Attorney’s Office, it has been concluded that amending the Contract as suggested by the Report is impossible with Proterra having filed Chapter 11 Bankruptcy and Phoenix Motor Inc (Phoenix) having purchased certain of Proterra’s assets, but not Proterra’s liabilities. Proterra is unable to execute further Contract amendments beyond the Supplemental Agreement, which is a forward-looking amendment, and which is being submitted for Board approval as an attachment to the Recommendation Memorandum to effectuate the assignment. The Supplemental Agreement was the product of extensive negotiations between the County and Phoenix. Should the County attempt to effectuate the Contract amendment with Phoenix, Phoenix is unlikely to agree to any further revisions to the Supplemental Agreement that has already been agreed upon. Reopening such negotiations could lead to Phoenix’s rejection of the Contract and loss of any further warranty protections.

The item is being presented to the Board as a ratification to recognize that actions have already been taken that were outside of what was allowable under the Contract provisions without authorization. DTPW acquired what it was authorized to acquire, namely 69 of the up to 75 buses, and as noted in the report, did not commit funding beyond what was authorized, but acknowledges that the acquisition was not done in the manner prescribed by the Contract.

As an alternative, DTPW would propose to incorporate an acknowledgment of the prices paid in a Supplement to the Recommendation Memorandum as well as an amendment to the associated Resolution, including the total of \$5.1 million in overpayments, to provide the Board with full transparency on the ratification. Additionally, we will issue a notice of final acceptance to Phoenix pursuant to the Supplemental Agreement that will contain an outline of the prices paid and include a release of claims related to any future payment obligations. This will be drafted in consultation with the County Attorney's Office.

- Page 2, paragraph 3, and Page 21, recommendation 2: As stated above, pursuant to the Recommendation Memorandum, DTPW will be issuing a notice of final acceptance for the 69 buses and charging systems and anticipates the inclusion of a release of claims within this notice.
- Page 3, paragraph 1, and Page 21, recommendation 3: A methodology for including a dedicated allowance for authorization for pricing adjustments will be reviewed. Due to the varying nature of contract awards, pricing scheduling structures, and pricing adjustment methodologies, a “one-size fits all” process may not be possible; however, the SPD team will work with OIG and CAO to implement solutions for better controls and transparency. It should be noted that approval from SPD, either in the form of a contract modification, supplemental agreement or change order, is required to effectuate price adjustments allowed in the contract.
- Page 5 table: The total listed in the table contains typographical error (an additional digit).
- Page 8, reference note 5: The note includes the following statement: “However, no liquidated damages were assessed.” This statement seems to imply that liquidated damages should have been assessed; however, liquidated damages are to be assessed based on vendor delays. As described in the note, allowable delays were requested by Proterra, and therefore, the assessment of liquidated damages was not appropriate. Additionally, as noted in the Recommendation Memorandum, DTPW was impacted by the allocation of staff resources to address unprecedented emergency initiatives during the COVID-19 pandemic, which contributed to the delays in finalizing the bus configuration.

Page 10, paragraph 1, and Page 15, subsection c, paragraph 3: The third sentence contains a typographical error (DTWP as opposed to DTPW). For clarification, the August 2018 date, while not permissible under the Contract, was derived from the date on which Proterra signed the Contract, effectively binding them to the negotiated terms. The award recommendation was issued by the then Administration on June 28, 2019, and, following a protest process, was approved by the Board on October 3, 2019. Accordingly, nearly an additional 14 months transpired before the County executed the Contract on October 18, 2019. Proterra was exposed to pricing increases during this period.

Supply chain, in general, was severely impacted by the COVID-19 pandemic. It has been recognized that extended periods for awards or fixed-price contracts can be problematic for vendors. Therefore, to mitigate any negative impact on the vendor community, SPD has developed multiple price adjustment methodologies that are being included in new solicitations.

Felix Jimenez, Inspector General  
Page 3

- Page 18, paragraph 5, carrying over to Page 19: It is stated that “...nowhere in the email communications between DTPW and SPD does DTPW reveal that unauthorized PPI adjustments had already been paid on the first order of 33 buses.” We suggest revisions to this language pertaining to emails regarding payment of the first of 33 buses. It is indicated that this statement was based upon an analysis of emails between February 23 and March 10, 2023. Following that time, on March 13, 2023, DTPW provided copies of spreadsheet calculations, revised POs, and information regarding the delivery dates of the buses to SPD. The correspondence on this matter was extensive and complex, with multiple different calculations, spreadsheets, and analysis methodologies. Accordingly, DTPW did attempt to notify SPD of the adjustments on the first order of 33 buses, but the extent to which this was clear to SPD given the volume and complexity is uncertain under the circumstances.
- Page 21, paragraph 1: It is stated that “...we believe that the mere ratification of the \$1.7 million dollar contract amendment alone is insufficient.” For clarification, the ratification does not seek to ratify the \$1.7 million modification that was completed in accordance with the terms of the Contract. Rather, the item is seeking ratification of the economic adjustment that was completed outside of what the contract provisions allowed. To bring clarity to the request, as stated previously, a Supplement to the Recommendation Memorandum will be issued to provide that the amount of the adjustment to be ratified is \$5.1 million and an amendment to the associated Resolution is anticipated.
- Page 1, paragraph 3, Page 5, paragraph 1, and Postscript: Regarding the \$946,607 in spare parts identified, the Contract states in the technical specifications section, that for each spare part listed “DTPW shall have the option to purchase...” (See Contract Sections TS78, TS77.1, TS60.1, TS50, TS29, and TS9). Accordingly, there was no obligation on the part of DTPW to complete the purchase of these items. DTPW could not have reasonably foreseen the delays that would occur in the delivery of parts from the supply chain disruptions that occurred as a result of the Proterra bankruptcy filing, nor could the rate of failure of the fleet have been predicted.

For clarification, the majority of spare parts available for purchase under the Contract are not the same parts that are failing. DTPW acknowledges the performance failures of the fleet and for this reason, sees the assignment of the Contract to Phoenix Motors Inc. as critical in order to maintain some form of warranty coverage. DTPW has been informed by Phoenix staff that the supply of parts was significantly impacted by the Proterra bankruptcy proceedings, during which multiple parts manufacturers ceased conducting business until the bankruptcy proceedings were concluded. DTPW has been advised that improvement should occur over the upcoming months and is also seeking additional sources of supply through established County contracts to address these issues.

Thank you for your consideration of these items in issuance of the final report.

cc: Jimmy Morales, Chief Operations Officer, Office of the Mayor  
Carladenise Edwards, Chief Administrative Officer, Office of the Mayor  
Eulois Cleckley, Director, Department of Transportation and Public Works  
Namita Uppal, Director, Strategic Procurement Department  
Bruce Libhaber, Assistant County Attorney, County Attorney’s Office