

ITEM#: 12  
 DATE: 08-24-21

**COUNCIL ACTION FORM**

**SUBJECT: AWARD OF CONTRACT FOR CYRIDE HEAVY-DUTY BUS PURCHASE**

**BACKGROUND:**

CyRide has been awarded funding through both discretionary and formula grants for eight new 40-foot heavy-duty diesel buses. Together these grants will cover 97% of the acquisition. The budget for this bus purchase is as follows:

<b>Funding Sources</b>	<b>Amount</b>
Iowa DOT Contract for 5339 Discretionary Funding (82.7%)	\$3,395,156
Iowa DOT Contract for 5307 CMAQ Funding (2.1%)	87,963
2021 Iowa's Volkswagen (VW) Settlement Grant (12.2%)	500,000
Local Funding (3.0%)	121,138
<b>Total Funds Available</b>	<b>\$4,104,257</b>

Due to the uncertainty of receiving funding from the VW Settlement, CyRide included local funding in the FY 2022 Capital Improvements Plan (CIP) in the amount of \$229,894 for the purchase of three 40-foot heavy duty diesel buses. In the FY 2023 CIP, five additional buses were identified for purchase with planned local match amount of \$391,244. **CyRide was awarded \$500,000 in the VW Settlement funding and these funds must be requested in one lump sum. The full utilization of the VW grant funding reduces the local match from \$621,138 to \$121,128 and allows CyRide to purchase all eight buses in FY 2022.** The following table details the buses being replaced, the original programmed replacement date in the CIP, and the funding sources for executing the bus purchase:

<b>Project</b>	<b>Capital Plan</b>	<b>Federal</b>	<b>Local</b>		<b>Total</b>
			<b>VW</b>	<b>CyRide</b>	
7132	FY 2022	\$436,077	\$76,955	\$0	\$513,032
7123	FY 2022	\$436,077	\$76,955	\$0	\$513,032
7125	FY 2022	\$430,580	\$82,453	\$0	\$513,033
1140	FY 2023	\$436,077	\$0	\$76,955	\$513,032
958	FY 2023	\$436,077	\$76,955	\$0	\$513,032
956	FY 2023	\$436,077	\$76,955	\$0	\$513,032
955	FY 2023	\$436,077	\$32,772	\$44,183	\$513,032
957	FY 2023	\$436,077	\$76,955	\$0	\$513,032
<b>Total</b>		<b>\$3,483,119</b>	<b>\$500,000</b>	<b>\$121,138</b>	<b>\$4,104,257</b>
Percent		84.8%	12.2%	3.0%	100%

The Iowa Department of Transportation completed a statewide heavy duty bus bid in the fall of 2018, which is valid through October 31, 2021. Transit agencies in the State of Iowa can use the resulting contract to purchase buses, saving agencies administrative time and money. **After evaluating purchasing options available through the Iowa DOT contract, CyRide has determined that buses produced by Gillig Corporation of Livermore, California will provide the best overall value to CyRide.**

Gillig Corporation has completed preliminary pricing for the vehicles. The estimated price per bus has been quoted at \$470,606 each, for a total cost of approximately \$3,764,848. Additional technologies like automatic passenger counters are still being considered for the buses. CyRide staff will continue to refine bus specifications until approximately six months before the vehicles are built, at which point the manufacturer will provide updated pricing. Since vehicle pricing is not finalized until late in the process, CyRide is requesting approval of award to Gillig Corporation of Livermore, California, in the not-to-exceed amount of \$4,104,257. The delivery date of the buses will be approximately 18-20 months from the date the purchase order is issued.

The Transit Board of Trustees approved the award of the contract at its August 11, 2021 meeting.

**ALTERNATIVES:**

1. Approve award of contract to Gillig Corporation of Livermore, California in the not-to-exceed amount of \$4,104,257 for the purchase of eight new 40-foot heavy-duty diesel buses.
2. Do not approve award of contract and direct staff to evaluate alternative purchasing options.

**CITY MANAGER'S RECOMMENDED ACTION:**

Approval of this contract will allow CyRide to replace eight existing buses within its heavy-duty fleet and help CyRide maintain a state of good repair as required by FTA.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.