

COUNCIL ACTION FORM

SUBJECT: CYRIDE SMALL BUS PURCHASE

BACKGROUND:

CyRide received funding through an Iowa DOT grant for the replacement of two small buses. This grant funds the purchase of biodiesel vehicles at a 90% federal, 10% local share as reflected in the table below.

Bus Type	# of Buses	Cost/Bus	Total Cost	Federal Share	Local Share
Light Duty	2	\$93,000	\$186,000	\$167,400	\$18,600

The local match funding for replacement of these buses is contained in the 2012-17 Capital Improvements Plan, which was approved by the Transit Board of Trustees and City Council earlier this year.

The buses will be replaced with Glaval buses purchased from Hoglund Bus and Truck Company located in Marshalltown, Iowa. This bus is included in the Minnesota Department of Transportation procurement, which competitively bids several types of buses for Minnesota transit systems to purchase on an annual basis. Any transit system in the United States may procure vehicles under their state's bidding process. Therefore, under federal and local procurement policies, CyRide may purchase the Glaval vehicle as part of the Minnesota competitive procurement, as opposed to conducting its own procurement process.

The Transit Board of Trustees approved purchase of these vehicles from Hoglund Bus and Truck Company at their July 6, 2012 meeting.

ALTERNATIVES:

1. Approve the purchase of two Glaval, Titan 2 minibuses from Hoglund Bus and Truck Company located in Marshalltown, Iowa for a not-to-exceed price of \$186,000.
2. Do not approve the purchase of two small buses under the Minnesota Department of Transportation bid and direct staff to conduct a separate bus bid.
3. Do not approve the purchase of two small buses.

MANAGER'S RECOMMENDED ACTION:

The State of Minnesota competitively bids several types of buses each year and allows other transit systems to procure buses under their bidding process. This meets all federal competitive bidding requirements, while at the same allowing other transit systems to efficiently procure vehicles. With sufficient local and federal dollars secured and competitive bidding requirements met, the procurement of these buses will allow CyRide to update its fleet of small buses and operate more comfortable, fuel-efficient vehicles.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the purchase of two small buses from Hoglund Bus and Truck Company for a not-to-exceed amount of \$186,000.