

**COUNCIL ACTION FORM**

**SUBJECT: CYRIDE PURCHASE OF FOUR 40' BUSES TO GILLIG CORPORATION OF HAYWARD, CALIFORNIA FOR A NOT-TO-EXCEED AMOUNT OF \$1,772,000**

**BACKGROUND:**

Over the last two years, CyRide has been awarded three state grant applications to purchase a total of four 40' buses. The combined budget/sources for a bus purchase is as follows:

Iowa DOT Grant	\$351,200
2015 Iowa Clean Air Attainment Program (ICAAP) Grant	\$702,400
2016 Iowa Clean Air Attainment Program (ICAAP) Grant	\$364,000
Local Funding (20%)	<u>\$354,400</u>
<b>Total Capital Investment</b>	<b>\$1,772,000</b>

The Iowa Department of Transportation has conducted a statewide bid for the purchase of transit buses. Therefore, this bid will be used to secure these vehicles, as opposed to a separate bid conducted by CyRide as is allowed by the Federal Transit Administration. Gillig buses comprise 69% of CyRide's bus fleet. Therefore, this award will further standardize CyRide bus fleet, reducing maintenance costs. These vehicles have also proven to be a reliable, quality bus in the fleet.

While final price negotiations are currently in progress based on CyRide's bus specifications, approving the purchase of four 40' buses to Gillig Corporation of Hayward, California at the not-to-exceed grant amount of \$1,772,000 will allow for an expeditious award as the delivery date is approximately 22 months from the time a purchase order is issued.

The total local share of \$354,400 for these buses will be accumulated in CyRide's capital budget in the current year and over the next two budget years – next year's budget (2016-2017) and the following year (2017-2018). CyRide will have accumulated all required local share dollars by the time buses are delivered (anticipated for Late Spring/Summer 2018) and payment is required. Local funding for this grant is included in the 2016-2021 Capital Improvement Plan approved by the Ames City Council earlier this year.

The Transit Board of Trustees approved purchase of these vehicles at their April 29, 2016 meeting.

**ALTERNATIVES:**

1. Approve award of four 40' articulated buses to Gillig Corporation of Hayward, California at a price not-to-exceed \$1,772,000.
2. Direct staff to prepare a CyRide 40' bus procurement bid.
3. Do not purchase new buses and return grant funds to the FTA.

**MANAGER'S RECOMMENDED ACTION:**

CyRide was chosen by the Iowa Department of Transportation to receive funding to replace/expand its fleet. This award was in recognition of CyRide's increasing ridership demand and need for a reliable, newer bus fleet to meet this demand in an efficient manner. Purchase of these vehicles through the Iowa Department of Transportation's procurement process will allow the competitive procurement requirements to be met in a manner that reduces CyRide's administrative costs and standardizes the fleet, benefitting its riders, drivers and mechanics.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the purchase of four 40' buses from Gillig Corporation at a total price not-to-exceed \$1,772,000.