

COUNCIL ACTION FORM

SUBJECT: **ARTICULATED BUS PURCHASE CHANGE ORDER**

BACKGROUND:

On February 24, 2015, the City Council approved the purchase of four, 60-foot articulated buses in an amount not to exceed \$3,000,000. A Federal Transit Administration (FTA) “Ladders of Opportunity” Grant provided funding for this bus purchase. The buses were awarded to NOVA Bus, located in Plattsburgh, New York, based on a competitive bid completed in Austin, Texas, which included available options for other transit systems to utilize.

On May 28, 2015, a purchase order was issued for the bus purchase at the actual quoted unit cost per bus to CyRide of \$696,560, bringing the total purchase price for four buses to \$2,786,240. This unit cost was based on preliminary bus specifications and did not take into account the purchase of extended component warranties, spare parts, and tooling allowed under grant guidelines. Since that time, these additional components have been identified as financially beneficial for CyRide to purchase in conjunction with the manufacture of the buses. These purchases can be accommodated within the original budgeted amount.

The last articulated bus was delivered on August 22, 2016 and CyRide was invoiced for the final cost of the buses, including the additional components, at a cost of \$711,991 per bus (\$2,847,964 total). The difference between the purchase order amount of \$2,786,240 and the final invoiced amount of \$2,847,964 is \$61,724. The City’s Purchasing Policies require the City Council to approve any contract change orders for amounts over \$50,000.

The table below details the articulated bus purchase:

Funds Available		Dollars
Federal Funds (#IA-04-0132)		\$ 2,550,000
Local		\$ 450,000
Total Available		\$ 3,000,000
Bus Cost		Unit Cost
		Total
May 28, 2015 Base Price	\$696,560	\$2,786,240
Ames Selected Options – Delete from Base Price	\$ - 6,769	
Extended Engine Warranty	\$ 8,114	
Spare Parts	\$ 5,721	
Diagnostic Tools & Equipment	\$ 8,365	
Total	\$711,991	\$2,847,964
Total Change Order Amount		\$ 61,724

ALTERNATIVES:

1. Approve the total contract change order amount of \$61,724 and allow a lump sum payment of \$2,847,964 to Nova Bus of Plattsburgh, NY for the purchase of four articulated buses.
2. Reject Alternative #1 and direct staff to modify the project to reflect City Council priorities.

MANAGER'S RECOMMENDED ACTION:

Alternative No. 1 will allow CyRide to complete the purchase of four articulated buses as received from the manufacturer.

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