

**COUNCIL ACTION FORM**

**SUBJECT:**    **AWARD OF CONTRACT FOR CYRIDE BUS PURCHASE OF THREE 40' BUSES**

**BACKGROUND:**

CyRide was recently awarded two grants for new buses. Together, these grants will cover 97% of the costs of three new standard diesel 40' buses. The budget for this bus purchase is as follows:

<b>SOURCE</b>	<b>AMOUNT</b>
2019 Iowa Clean Air Attainment Program (ICAAP) Grant	\$1,221,960
2019 Iowa's Volkswagen Settlement Environmental Mitigation Trust Project (VWSEMT) Grant	\$170,640
Local Funding (3%)	\$45,000
<b>Total Funds Available</b>	<b>\$1,437,600</b>

The Iowa Department of Transportation completed a statewide bid of heavy duty buses in Fall 2018. Transit agencies in the State of Iowa can use the resulting contract to purchase buses, saving transit agencies the time and cost of bidding their bus purchases independently. The state contract is with Gillig Corporation of Livermore, California. Gillig buses already comprise the majority of the CyRide fleet and awarding this contract to Gillig will allow CyRide to continue to standardize the fleet.

The bus manufacturer has completed preliminary pricing for the vehicles. The estimated price per bus from Gillig has been quoted at \$450,346, for a total cost of approximately \$1,351,038. Additional equipment and technologies, like automatic passenger counters, are still being considered for the buses. CyRide employees will continue to refine bus specifications until approximately six months before the vehicles are built. The manufacturer will provide us with updated pricing once the specifications are finalized. Since vehicle pricing is not finalized until late in the process, staff is requesting approval of award to Gillig Corporation of Livermore, California at the not-to-exceed grant amount of \$1,437,600. The delivery date of the buses will be approximately 18-20 months from the date the purchase order is issued.

Under the terms of the VWSEMT grant award, three existing 2002 buses will be replaced with new buses. The three replaced buses will need to be scrapped and rendered inoperable. At a minimum, there will need to be a 3-inch diameter hole drilled into the engine block of each vehicle. Rendering the 2002 buses inoperable and scrapping them is planned for the fall of 2019. The local share of \$45,000 for this bus purchase is in CyRide's capital

budget for the current year. The Ames Transit Board of Trustees approved the bus purchase at their October 23<sup>rd</sup>, 2019 meeting.

**ALTERNATIVES:**

1. Approve award contract to Gillig Corporation of Livermore, CA in the not to exceed grant amount of \$1,437,600 for the purchase of three new standard 40' buses for CyRide.
2. Reject the proposed contract and direct staff to modify the project to reflect Council priorities.

**CITY MANAGER'S RECOMMENDED ACTION:**

Award of contract to Gillig Corporation of Livermore, CA will allow CyRide to replace three existing buses at the end of their useful life. The new bus purchase will enable CyRide to upgrade the existing fleet with compatible buses with lower exhaust emissions. The not to exceed contract award of \$1,437,600 will allow CyRide to equip the buses with the latest equipment and technology.

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