

COUNCIL ACTION FORM

SUBJECT: PURCHASE OF TWO 40' HEAVY-DUTY DIESEL BUSES

BACKGROUND:

CyRide has been awarded grant funding through the Iowa Department of Transportation's Carbon Reduction Program (CRP) to replace two 40' heavy-duty diesel buses that are 22 years old and past their useful life. Funding for the new buses was approved in the FY 2025/26 Capital Improvements Plan. Due to rapid increases in bus prices, additional Surface Transportation Block Grant (STBG) funds were reallocated to support this purchase. The project budget, based on available grant funding, is shown below and was included in the Capital Improvements Plan.

Funding Source	Funding		
	Federal	Local	Total
Carbon Reduction Program (CRP)	\$946,786	\$236,696	\$1,183,482
Surface Transportation Block Grant (STBG)	\$81,208	\$20,302	\$101,510
Total	\$1,027,994	\$256,998	\$1,284,992

After reviewing procurement options, CyRide determined that the most cost-effective method for purchasing new buses is utilizing a state cooperative procurement schedule. Statewide purchasing schedules allow CyRide to reduce administrative time and leverage the buying power of many agencies, which would not be available if CyRide pursued an independent procurement process. Through the State of Iowa, the most favorable option for CyRide is the Washington State cooperative procurement schedule.

CyRide's current fleet of 40' heavy-duty diesel Gillig Low Floor buses has consistently proven to be cost-effective and reliable. Keeping the bus fleet standardized to a single manufacturer results in significant savings, including reduced spare parts inventory, lower training costs, and faster repair times due to greater manufacturer familiarity. As a result, CyRide has selected Gillig as the preferred manufacturer for this purchase.

Pricing was requested from Gillig, resulting in a cost per bus of \$726,911, or a total purchase price of \$1,453,822. **This cost is higher than the available funding.** Following this result, staff re-evaluated procurement options and determined that proceeding with the Washington State contract remained the most cost-effective option available to CyRide. **While higher than expected, the price was found to be fair and reasonable in light of the national purchasing environment and comparable buses from other manufacturers.**

Based on the pricing received, an additional \$168,830 in local funding would be required to purchase both buses. The additional funding needed could come from the 40' Bus Replacement Capital Reserve Fund. A revised budget has been calculated based on the bus pricing provided, shown in the following table.

Funding Source	Funding		
	Federal	Local	Total
Carbon Reduction Program (CRP)	\$946,786	\$236,696	\$1,183,482
Surface Transportation Block Grant (STBG)	\$81,208	\$20,302	\$101,510
Additional Local Funding (40' Bus Reserve Fund)		\$168,830	\$168,830
Revised Total Project Budget	\$1,027,994	\$425,828	\$1,453,822

Gillig anticipates delivery of the vehicles approximately nine months after a purchase order is issued. Additional build options are being considered for these buses and will be maintained within the overall project budget.

At its meeting on November 20, 2025, the Transit Board of Trustees approved the award of contract to Gillig LLC of Livermore, California, for an amount of \$1,453,822.

ALTERNATIVES:

1. Approve award of contract for two 40' heavy-duty diesel buses to Gillig LLC of Livermore, California, for an amount of \$1,453,822.
2. Do not approve the contract award for the purchase of two new 40' heavy-duty diesel buses.

CITY MANAGER'S RECOMMENDED ACTION:

Award of this contract will enable CyRide to replace obsolete buses with new vehicles, improve efficiency, and move CyRide closer to meeting its federal Transit Asset Management (TAM) plan goals, while reducing overall fleet emissions using newer, cleaner-burning engines. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.