

ITEM #: 30  
 DATE: 03-24-26  
 DEPT: Transit

**COUNCIL ACTION FORM**

**SUBJECT: APPROVAL OF 40' DIESEL BUS PURCHASE CHANGE ORDER**

**BACKGROUND:**

On October 22, 2024, the City Council awarded a contract for two 40' heavy-duty diesel buses to Gillig LLC of Livermore, California, in an amount not to exceed \$1,256,996. The State of Washington cooperative procurement contract was utilized for this purchase.

The funding sources previously approved for this project are summarized below:

<b>Funding Source</b>	<b>Federal</b>	<b>Local</b>	<b>Total</b>
Section 5339 Discretionary Funding	\$879,946	\$155,284	\$1,035,230
Carbon Reduction Program (CRP) Funding	\$43,970	\$10,992	\$54,962
Additional Local Funding (40' Bus Reserve Fund)		\$166,804	\$166,804
<b>Original Total Project Budget</b>	<b>\$923,916</b>	<b>\$333,080</b>	<b>\$1,256,996</b>

After the contract was issued, changes in federal tariff policies and finalized bus design specifications affected the final cost of the vehicles. The State of Washington contract includes a provision that allows manufacturers to pass through verified costs incurred due to tariffs. CyRide has been notified that the tariff cost for this vehicle order is \$7,785.91 per bus.

To ensure the vehicles meet operational needs, additional design revisions were required, including dual language signage, rear step lighting, bike rack installation, technology pre-wiring, and other minor operational specification revisions. These design revisions resulted in an additional cost of \$8,463 per bus. The combined impact of tariffs and design revisions results in a total increase of \$16,248.91 per bus, or \$32,497.82 for both buses.

This adjustment represents a 2.59% increase to the overall project budget, increasing the total purchase price from \$1,256,996 to \$1,289,493.82. CyRide has reviewed the design change pricing provided by Gillig and determined the pricing to be fair and reasonable. Final documentation supporting the tariff costs is still pending. Once received, CyRide will work with the Purchasing Division to review the documentation prior to payment to ensure the adjustment reflects the actual final costs incurred and complies with the provisions of the State of Washington cooperative procurement contract.

The Federal Transit Administration (FTA) approved a budget revision to CyRide's 2025 STBG grant to support diesel bus purchases due to a significant shortfall for the purchase of 10 diesel buses across multiple grants this year. The Ames Area Metropolitan Planning Organization (AAMPO) was notified and approved CyRide proceeding with this revision with the FTA rather than upgrading one diesel bus to a battery electric. As a result of this revision, no additional local funding will be required for the purchase of these two vehicles.

The revised total project budget is summarized below:

<b>Funding Source</b>	<b>Federal</b>	<b>Local</b>	<b>Total</b>
Section 5339 Discretionary Funding	\$879,946	\$155,284	\$1,035,230
Carbon Reduction Program (CRP) Funding	\$43,970	\$10,992	\$54,962
Local Funding (Previously committed)		\$166,804	\$166,804
Surface Transportation Block Grant Funding	\$25,998	\$6,500	\$32,498
<b>Revised Total Project Budget</b>	<b>\$949,914</b>	<b>\$339,580</b>	<b>\$1,289,494</b>

Approval of this change order is required for CyRide to complete acceptance of the new vehicles. The Transit Board of Trustees approved the requested change order and increased the contract total to \$1,289,493.82 for Gillig LLC at its meeting on March 19, 2026.

**ALTERNATIVES:**

1. Approve the cost-related change order and establish a new total contract amount of \$1,289,493.82 for the purchase of two 40' heavy-duty diesel buses from Gillig LLC of Livermore, California.
2. Do not approve the requested change order.

**CITY MANAGER'S RECOMMENDED ACTION:**

Approving the cost-related change order and new contract amount will ensure that the two 40' heavy-duty diesel buses are fully funded, allowing CyRide to complete the purchase in compliance with procurement requirements and federal Transit Asset Management objectives. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.