

AMES TRANSIT AGENCY BOARD OF TRUSTEES
CYRIDE CONFERENCE CALL

December 6, 2013

1. CALL TO ORDER: 4:00 P.M.
2. Public Comments
3. New Bus Purchase
4. Adjourn

Conference Call in Information

Toll Free Dial-In-Number: 1-866-244-8528

Participant Passcode: 576515

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees

FROM: Sheri Kyras

DATE: December 6, 2013

SUBJECT: New Bus Purchase

BACKGROUND: In 2012, the Federal Transit Administration awarded one of the last transit system State of Good Repair grants to CyRide for the purchase of six 40' buses. Additionally, CyRide has a small balance left on a previous State of Good Repair grant, for which buses have been received.

Since award of the last grant, staff has worked with FTA on "approved" national bus bids to be able to purchase these vehicles. Two national bids, completed by other transit systems that CyRide had been named in, had been determined by FTA to not comply with federal regulations. The Minnesota Department of Transportation bid for 40' buses was also determined to be out of compliance; however, the FTA determined that any transit system that had begun the procurement process prior to July 8, 2013, could continue with their bus purchase. CyRide began its procurement process to purchase six buses through this Minnesota contract on April 23, 2013, prior to the FTA cut-off date; therefore, it will be allowed to purchase vehicles through this procurement. The FTA requires any further awards under this contract, however, to be completed with a purchase order by December 31, 2013.

The final City Council meeting of the year will be December 17, 2013; therefore, a special Transit Board of Trustees meeting is required to take action so that all governing bodies can consider this purchase prior to the December 31st deadline.

INFORMATION: The Gillig Corporation is an approved vendor under the Minnesota bid, which would allow CyRide to purchase buses consistent with its current bus fleet. The price per bus for Gillig to manufacture CyRide vehicles has been quoted as \$415,297.50 each, for a total cost of six buses at \$2,491,785. This price is locked in through December 31, 2013; however, company representatives have indicated that purchases made after this time period will be at a higher price per bus. Two federal State of Good Repair grants, with 83% federal share, would be utilized to purchase these vehicles as detailed in the following table:

Federal Grant #	Federal Share	Local Share	Total Cost
IA-04-0128	\$2,031,840	\$416,160	\$2,448,000
IA-04-0121	\$36,342	\$7,443	\$43,785
Total	\$2,068,182	\$423,603	\$2,491,785

The local share is accumulated in CyRide’s capital budget over two budget years – current budget (2013-2014) and next year (2014-2015). As vehicles awarded in December 2013 will not be delivered for at least 17 months, CyRide will have accumulated all required local shared by the time buses are delivered (anticipated for May 2015) and payment is required.

This bus purchase is the last new bus purchase that CyRide can anticipate for the foreseeable future and will allow CyRide’s average fleet age to grow more modestly in the next five years.

ALTERNATIVES:

1. Approve award of six 40’ buses to Gillig Corporation of Hayward, California for \$2,491,785.
2. Do not purchase new buses and return grant funds to the FTA.

RECOMMENDATION:

CyRide was chosen from a national FTA grant competition to receive funding to replace six existing buses that were 133% - 200% above the FTA-defined useful life of a bus. While the buses were anticipated to be replaced at the time of grant submission, CyRide’s ridership growth since this time dictates that these existing buses be retained to provide expansion of the fleet to meet CyRide’s higher ridership demand. This purchase will serve two purposes: allow the fleet age to modestly increase and provide additional buses by retaining CyRide’s current buses, once replaced, to meet this demand.

Additionally, with bus prices increasing annually, procurement of these vehicles by the end of the year will ensure the lowest possible price for this procurement.

Therefore, the Transit Director recommends approval of Alternative #1 to purchase six buses from Gillig Corporation at a total price of \$2,491,785.