



City of Madison

City of Madison
Madison, WI 53703
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Master

File Number: 29168

File ID: 29168

File Type: Resolution

Status: Report of Officer

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Reference:

Controlling Body: BOARD OF
ESTIMATES

File Created Date : 02/19/2013

File Name: Gillig Bus Buy 2014+

Final Action:

Title: Authorizing the Mayor and City Clerk to enter into a five year contract with the Gillig Corporation for the manufacture and delivery of up to eighty (80) coaches. The estimated cost of the first order of buses in January 2014 is \$6,720,000.

Notes:

CC Agenda Date: 04/16/2013

Sponsors: Chris Schmidt and Lisa Subeck

Effective Date:

Attachments:

Enactment Number:

Author:

Hearing Date:

Entered by: aschroeder@cityofmadison.com

Published Date:

History of Legislative File

| Ver- sion: | Acting Body: | Date: | Action: | Sent To: | Due Date: | Return Date: | Result: |
|---------------|--|------------|--|--------------------------------------|-----------|-----------------|---------|
| 1 | Metro Transit | 02/19/2013 | Referred for Introduction | | | | |
| | Action Text: This Resolution was Referred for Introduction | | | | | | |
| | Notes: Transit and Parking Commission, Board of Estimates. | | | | | | |
| 1 | COMMON COUNCIL | 02/26/2013 | Referred | TRANSIT AND PARKING COMMISSION | | 03/13/2013 | |
| | Action Text: This Resolution was Referred to the TRANSIT AND PARKING COMMISSION | | | | | | |
| | Notes: Additional Referral: Board of Estimates. | | | | | | |
| 1 | TRANSIT AND PARKING COMMISSION | 02/27/2013 | Refer | BOARD OF ESTIMATES | | 03/11/2013 | |
| | Action Text: This Resolution was Refer to the BOARD OF ESTIMATES | | | | | | |
| | Notes: | | | | | | |
| 1 | BOARD OF ESTIMATES | 03/11/2013 | Return to Lead with the Recommendation for Approval | TRANSIT AND PARKING COMMISSION | | 03/13/2013 | Pass |
| | Action Text: A motion was made by Palm, seconded by Verveer, to Return to Lead with the Recommendation for Approval to the TRANSIT AND PARKING COMMISSION. The motion passed by voice vote/other. | | | | | | |
| | Notes: | | | | | | |

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|---|-----------------------------------|------------|--|------|
| 1 | TRANSIT AND PARKING COMMISSION | 03/13/2013 | RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER | Pass |
|---|-----------------------------------|------------|--|------|

Action Text: Metro Transit Services Manager Ann Gullickson, who coordinated procurements, talked about the resolution and purchase.

- Metro recommended awarding the contract to Gillig for 80 buses over a 5-year period, at \$400+K each. After a healthy competition and demos among four firms, two firms submitted proposals. Normally price was weighted at 30%. But because of a \$40K difference for each bus, price ended up being the deciding factor.
- Before returning to the Council, wording in the resolution would likely be revised to bump up the delivery schedule, to take delivery of 20 buses in the first year, and 15 in each of the next four years, vs. 16/yr. for five years. Because of the purchasing schedule, Metro wouldn't be getting any buses in 2013, and hoped to play catch-up. This was still being negotiated with Gillig.
- Of the 20 in 2014, two would be hybrids.

Because of the potential savings involved, Golden wanted the contract to be flexible enough to allow for the purchase of CNG buses within the terms of the 5-year contract. Tolmie agreed, not only because of the environmental impact, but also because of the savings.

Gullickson discussed the possibility of buying CNG (Compressed Natural Gas) buses.

- CNG was not new or risky technology in transit, and Metro was very interested in it. Staff had talked to MG&E about it, and had sent maintenance staff to training on CNG.
- It would be too costly (over \$1 million) to modify the current facility even without the fueling station. But Metro would be looking at installing features to house CNG buses when building a new satellite facility.
- Without a fueling station or a proper facility and with the cost of modifying the current facility, Metro had actively decided against going out to bid on CNG. It wasn't time yet.
- If Metro were to decide to buy CNG buses, it would be at the back end of the contract, at which point they would already be going out to bid on new buses. By that time, they would likely have garages that could handle both CNG and diesel.
- In terms of possibly purchasing CNG buses as part of this contract, Metro might be able to negotiate this. Metro had been able to purchase two hybrids from Gillig as part of a previous contract that hadn't originally included hybrids.
- The RFP for the current procurement did not include CNG and they did not go out to bid on price options for CNG. Metro would have to consult the Attorney's Office to see whether the terms of the contract could be changed.

Maniaci suggested that Metro talk to the Attorney's Office. She thought it probably wouldn't be a problem to add an option to the contract to allow Metro to negotiate in the future, to give Metro some flexibility to buy what they wanted and needed. Kamp said it was not only an issue of CNG, it was also an issue of 30-foot buses and articulated buses. But all of these possibilities were likely to occur towards the end of the 5-year contract, at which point they would talk to the Attorney's Office.

Regarding specific mention of CNG in the City's Sustainability Plan, Kamp said that based on the spirit and direction from the TPC and CC, Metro placed sustainability at the top of their criteria. Gullickson said that Jeanne Hoffmann had facilitated Metro's discussion with MG&E regarding CNG. So people were looking at the City-wide as to when and where they would take advantage of this technology. Bergamini confirmed that Gillig made a CNG transmission and CNG hybrid transmission. She hoped they wouldn't hold up this procurement, and that they could trust staff had this under control.

A motion was made by Streit, seconded by Schmidt, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote/other.

Notes:

Text of Legislative File 29168

Fiscal Note

The 2013 adopted capital budget of Metro Transit provides funding of \$6,498,144 in anticipation of the delivery of 16 new buses in 2013, including two hybrid buses at an additional cost of \$200,000 each (Project No. 1, "Transit Coaches," Acc't No. 815013). With the exception of the marginal cost of the hybrid buses, up to 80% of the total project cost is funded

by USDOT/FTA, with the remaining 20% local share funded by General Obligation borrowing. Because of the delay in the completion of the Request for Proposal process and subsequent selection of the vendor, the City's bus purchase planned for 2013 will be delayed until 2014. No buses will be delivered to Metro in 2013. Instead, Metro Transit will include in its 2014 capital budget a reauthorization of the bus purchase funding provided in 2013, and will request additional funding as needed. Metro anticipates delivery of 16 new buses in January, 2014; Metro is still evaluating whether a second delivery of buses later in 2014, which would help Metro resume its regular bus replacement schedule, is financially feasible. The delayed bus replacement schedule will result in the extension of service life for some older buses, and as such may require some additional maintenance efforts. Future year expenditures will require Council approval.

Title

Authorizing the Mayor and City Clerk to enter into a five year contract with the Gillig Corporation for the manufacture and delivery of up to eighty (80) coaches. The estimated cost of the first order of buses in January 2014 is \$6,720,000.

Body

PREAMBLE

The transit utility developed a Request for Proposal for the purchase of eighty (80) 40-foot low floor transit buses, diesel with diesel-electric hybrid options. The transit utility normally replaces fifteen (15) buses annually. In this contract, Metro plans to replace sixteen (16) buses annually for the next five years. The first delivery will be in January 2014.

Two (2) manufacturers responded to the RFP. Buses were evaluated for design quality, manufacturer reputation and performance, and price. Transit maintenance staff evaluated the proposals on a formal point system basis and found the proposal from the Gillig Corporation to be the best. Some of the features of the bus include:

- ❑ Corrosion protection/body maintenance. The Gillig bus is manufactured with construction grade stainless steel chassis with extruded aluminum framing and aluminum skin. This chassis is less likely to develop stress cracks or corrosion issues for a longer operating life than other construction methods based on past experience with stainless steel construction. They are the only responder offering bolt-on aluminum side panels, allowing maximum maintenance accessibility and quick and easy repair to damaged side panels.
- ❑ Engine, transmission, and suspension. Gillig will provide a Cummins ISL engine and Voith D864.5 transmission. This engine and transmission combination provides excellent fuel economy and reliability. The bus uses Meritor axles already in use in the fleet.
- ❑ When the City decides to exercise the hybrid option of the contract, Gillig uses the Allison E Drive 2-Mode Parallel Hybrid System. This is an efficient hybrid system for transit bus applications since it has both an electrical drive path and a mechanical drive path.

WHEREAS, the transit utility has sought Requests for Proposals for manufacture of eighty 40' low-floor diesel transit buses, with the hybrid option, and obtained proposals from two manufacturers for same; and

WHEREAS, an evaluation of the two proposals on a formal point system basis found the Gillig Corporation's proposal to be the best submittal; and

WHEREAS, the configuration of the buses will be diesel with the option exercisable by the City

of Madison to substitute diesel-electric (hybrid) on a one-for-one basis during any time of the five-year contract; and

WHEREAS, the price of buses or equipment ordered after the initial year shall be the Base Order Price plus/minus any change which will be calculated based on the following formula which utilize the U.S. Department of Labor/Bureau of Labor Statistics Producer Price Index (P.P.I.), Commodity Code 1413 "Truck and Bus Body." The change in this P.P.I will be used to adjust the Base Order Prices. However in no event will the price(s) for any purchase order issued exceed, by more than 5 percent, the price(s) that would have been in effect twelve (12) months prior to the date of the issuance;

WHEREAS, \$6,098,144., was authorized for the purchase of 16 Transit coaches in the 2013 Capital Budget. After review of the RFP proposals, an unexpected increase in the cost of each Transit coach was encountered. The contracted cost for the 16 coaches in the initial delivery in 2014 will be \$6,720,000.

WHEREAS, the 2013 Capital Budget will be reauthorized in the 2014 Capital budget with additional funding requested in the 2014 Capital Budget to cover the 2014 deliveries of coaches.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to enter into a five (5) year agreement with Gillig Corporation for the manufacture of eighty (80) 40-foot low floor coaches; and

BE IT FURTHER RESOLVED that the Transit General Manager is authorized to place the order for the manufacture of the first sixteen (16) coaches, and to place subsequent orders for sixteen (16) buses in each remaining year in the contract