



## Legislation Text

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**File #:** 15438, **Version:** 1

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### **Fiscal Note**

The estimated cost of \$7,959,000 for 14 diesel-electric hybrid buses will be fully covered by American Recovery and Reinvestment Act of 2009 federal funds (stimulus funding) and is included in the Metro Transit 2010 Capital Budget request.

### **Title**

Authorizing the Mayor and City Clerk to amend the contract with Gillig Corporation for the manufacture and delivery of up to seventy-five (75) coaches and spare parts. Metro Transit is exercising our option under the contract to purchase fourteen (14) diesel-electric hybrid buses in the 2010 production order, at a cost not to exceed \$7,959,000. The cost will be covered by stimulus funding.

### **Body**

### PREAMBLE

The City of Madison executed a five-year contract with Gillig Corporation on March 28, 2008 for the purchase of seventy-five (75) 40-foot low floor transit buses, diesel with diesel-electric hybrid options. This is the third production order under the contract. The contract calls for the purchase of twelve diesel buses in the third year. Metro is using American Recovery and Reinvestment Act of 2009 (ARRA) funding to upgrade to diesel-electric hybrids with Bus Rapid Transit (BRT) styling, and increase the number of buses in this production order from twelve to fourteen. The BRT option provides a distinctive look to the hybrids that distinguishes them from other buses in the fleet. The contract with Gillig Corporation needs to be amended to reflect these changes.

There is sufficient funding and the original plan was to use \$9,000,000 of stimulus funding for the purchase of hybrid buses. However, a recent law signed by the President allows for 10% of stimulus funding to be used for operating costs rather than only capital costs. The City of Madison has chosen to use up to \$950,000 of the stimulus funding for Metro Transit's 2010 Operating Budget.

WHEREAS, City has awarded contract to Gillig Corporation for the manufacture of seventy-five (75) buses, the first twenty-two to be manufactured for a price not to exceed \$310,000 per coach; and

WHEREAS the price of buses in subsequent production orders shall be the Base Order Price plus/minus any change which will be calculated based on a formula utilizing 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; and

WHEREAS, upgrades to the wheelchair securement system, bicycle rack, interior lights, exterior mirror, camera system, farebox trim hardware, and a 1% contingency add \$16,090 to the price of each coach; and

WHEREAS, Cummins has re-engineered their engine to meet 2010 EPA regulatory changes, and the ISB Engine will cost an additional \$11, 486; and

WHEREAS, the cost of the hybrid option is \$190,000 per coach; and

WHEREAS, the BRT styling adds \$19,475; and

NOW THEREFORE BE IT RESOLVED, that the Mayor and City Clerk are authorized to amend the contract with Gillig Corporation so that fourteen diesel electric hybrid buses can be manufactured for a price not to exceed \$7,959,000 (\$568,500 per unit)