File #: 29168, **Version:** 2

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~~ 20 new buses in January, 2014; 18 diesel and 2 diesel electric hybrid. 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

SUBSTITUTE - 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~~ $8,800,000.

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~~ 20 buses in 2014 and 15 annually for the next ~~five~~ four 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 maintanence 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~~ 20 coaches in the initial delivery in 2014 will be ~~$6,720,000~~ $8,800,000.

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)~~ twenty (20) coaches, and to place subsequent orders for ~~sixteen (16)~~ fifteen (15) buses in each remaining year in the contract.

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