



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 06/11/2024

REQUESTER: Taylor Johnson, Transit and Parking Program Manager

PRESENTER: Scott Sturtz, P. E., Interim Public Works Director

ITEM TITLE: CONSIDERATION OF ACCEPTANCE, APPROVAL, ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2324-149: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN ACCEPTING THE AWARD OF \$776,714 THROUGH THE FEDERAL TRANSIT ADMINISTRATION'S FISCAL YEAR 2023 LOW-OR NO-EMISSION VEHICLE GRANT PROGRAM AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO SUBMIT, EXECUTE, AND FILE AN APPLICATION ON BEHALF OF THE CITY OF NORMAN TO FORMALLY PROGRAM THE PROJECT AWARD; AND ADOPTION OF BUDGET APPROPRIATION AND TRANSFERS AS OUTLINED IN THE STAFF REPORT.

BACKGROUND:

The Federal Transit Administration (FTA) Grants for Buses and Bus Facilities Program (49 U.S.C. 5339) makes federal funding resources available to states and direct recipients to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through formula allocations (5339(a)) and competitive grants (5339(b)). A sub-program, the Low- or No-Emission Vehicle Program (5339(c)), provides competitive grants for bus and bus facility projects that support low and zero-emission vehicles.

The federal fiscal year 2022-2023 (FFY23) grant opportunity is part of a larger package in FFY23 competitive grant funds to help modernize bus fleets and bus facilities across the country, including \$1.1 billion to help transit agencies purchase or lease low- or no- emission vehicles that use advanced technologies to help improve air quality and combat climate change.

On June 27, 2019, the City of Norman was recognized by the FTA as an eligible recipient of federal transit funds and is an eligible applicant of the Low- or No-Emission Vehicle Program. Eligible activities for this program include capital projects to replace, rehabilitate, and purchase buses, vans, and related equipment, and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities. A requirement of the Low- or No-Emission Vehicle Program is to identify the source of local match to the federal funds and to provide evidence and commitment of those funds with the entity's application; a Council resolution meets this requirement.

On April 11, 2023 Council authorized by resolution (R-2223-117) a grant application submittal to the Federal Transit Administration's FY2023 Low- or No-Emission Vehicle Program for six CNG cutaway buses for the paratransit fleet, and committing the City of Norman to provide the required local match, through either the General Fund, the Public Transit Sales Tax Fund, or Capital Fund if the project is selected.

When a project is selected, funds remain available for obligation for four fiscal years. This includes the fiscal year in which the amount is made available or appropriated plus three additional years.

DISCUSSION:

Vehicle replacement is critical to operate and maintain a safe, reliable, and cost-effective transit system. As the City of Norman replaces the vehicles in its transit fleet, staff has and will continue to identify opportunities to offset the cost of replacement by combining federal and local funds.

The City's fixed-route fleet includes four (4) out of thirteen (13) vehicles that have reached their useful life according to the FTA. The City's paratransit fleet includes six (6) out of fourteen (14) vehicles remaining that have reached their useful life. With the acceptance of this grant and approval of resolution R- 2324-149 to purchase 6 CNG cutaway transit buses, the paratransit fleet will be completely up to date and the only remaining vehicles eligible for replacement will be the four vehicles in the fixed-route fleet.

The FTA's Low- or No-Emissions Vehicle Program (5339(c)) is a specific opportunity to replace those vehicles that have reached their useful life with low- or no-emission alternatives, which is in line with the City's Alternative Fuel Program. On April 11, 2023, Council approved Resolution R-2223-117 authorizing application to this grant program. Staff's application included 6 new CNG cutaway transit buses for the paratransit fleet. The proposed cost share per bus is \$129,452 federal (75%) and \$43,151 local match (25%), resulting in \$172,603 total per bus. Thus the proposed cost share for 6 cutaway buses is \$776,714 federal (75%) and \$258,904 local (25%), resulting in a \$1,035,618 total cost for 6 units.

On June 26, 2023, the FTA awarded the City's grant application to purchase 6 CNG cutaway buses for fleet replacement as described above without any changes. Staff have worked with Transportation Equipment Supply Company (TESCO) to determine the specifications of the buses and develop the purchase through the Ohio Department of Transportation Cooperative Purchasing Program using Ohio State Contract DOT24824-3. These units will include the same equipment that is currently standard across the transit fleet such as an integrated Angeltrax camera surveillance system, a 1,000 pound capacity Braun wheelchair lift, and Q-Straint wheelchair restraint systems. The State of Ohio Contract DOT24824-3 is a contract that has been bid to meet proper Federal Transit Administration (FTA) requirements and which satisfies Norman's City Code, Section 12-204(b4).

The initial basic specification for these units including the equipment mentioned above has a cost estimate of \$168,390, which is \$4,213 less per unit (or \$25,278 total) than the amount estimated when initially applying for the grant. In an effort to maximize the use of grant funding, additional options for the vehicles were considered and staff determined destination signage is the best option. While these units are intended for use in the paratransit fleet, fitting these

vehicles with destination signage will allow them to also be used for fixed-route applications thereby increasing the flexibility and resiliency of our overall transit fleet.

The cost to include the current standard Luminator designation signage that is used across the transit fleet is \$11,950 per vehicle, or \$71,700 for all six vehicles. This would require an additional \$46,422 beyond the amount included in the initial grant request. Staff have located \$26,293 available in existing capital vehicle purchase savings: \$8,400 in Fleet Transit-Service Equipment-Trucks and Vans (Account 27550276-45003) and \$17,893 in Fleet Transit-Service Equipment-Automobile (Account 27550276-45001). An additional \$20,129 remains available across various transit operations accounts, which staff will consolidate into Transit & Parking Administration, Miscellaneous Services-Transit Operating Agreement (Account 27550277-44766). The initially estimated local match funding in the amount of \$258,904 is available in the Public Transportation Fund, Service Equipment-Bus (Account 27550276-45007).

With the designation signage the total cost per vehicle will be \$180,340, which is \$1,082,040 total for six vehicles. This would bring the cost share per bus to \$129,452 federal (71.8%) and \$50,888 local (28.2%) and the overall cost share for all six vehicles to \$776,714 federal (71.8%) and \$305,326 local (28.2%). Assuming the order is submitted during June of 2024, current production and delivery estimates would see the City of Norman receiving these vehicles approximately in April of 2025.

RECOMMENDATION:

1. Staff recommends that City Council approve Resolution R-2324-149, accepting the award of \$776,714 through the Federal Transit Administration's fiscal year 2023 Low- or No-Emission Vehicle Program and authorizing the City Manager or his designee to submit, execute and file an application on behalf of the City of Norman with the United States Department of Transportation to formally program the project award and requesting authority to waive competitive bidding for the purchase of the vehicles, utilizing the Ohio State Contract DOT24824-3.
2. Staff further recommends that City Council authorize the purchase of six (6) new CNG cutaway transit buses for the paratransit fleet from TESCO in the amount of \$1,082,040 utilizing Ohio State Contract DOT24824-3.
3. Staff further recommends a budget appropriation of \$776,714 from the Capital Fund Balance (Account 50-29000) to the Special Grants Fund (Fund 22) FTA Non-Operations Grant Plant & Operating Equipment-Other (Account 22550070-45199) to cover the 71.8% federal grant share amount for this purchase until FTA reimbursement is completed.
4. Staff finally recommends the following budget transfers into the Public Transportation Fund (Fund 27) Service Equipment-Bus (Account 27550276-45007):
 - a. \$20,129 from Public Transportation Fund, Miscellaneous Services - Transit Operations (Account 27550277-44766)
 - b. \$8,400 from Public Transportation Fund, Service Equipment – Trucks & Vans (Account 27550276-45003)
 - c. \$17,893 from Public Transportation Fund, Service Equipment – Automobile (Account 27550276-45001)

