



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 6/14/2022

**REQUESTER:** Taylor Johnson, Transit and Parking Program Manager

**PRESENTER:** Shawn O'Leary, Director of Public Works

**TITLE:** CONSIDERATION OF ACCEPTANCE, APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF A FISCAL YEAR 2021 AND 2022 SURFACE TRANSPORTATION BLOCK GRANT (STBG) IN THE AMOUNT OF \$959,855 FROM THE OKLAHOMA DEPARTMENT OF TRANSPORTATION TO BE USED TO PURCHASE TWO 35-FOOT LOW-FLOOR COMPRESSED NATURAL GAS (CNG) TRANSIT BUSES; APPROVAL OF CONTRACT K-2122-130; AND BUDGET APPROPRIATION AS OUTLINED IN THE STAFF REPORT.

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### **BACKGROUND:**

Fixing America's Surface Transportation (FAST) Act (P.L. 114-94), signed into law on December 4, 2015 authorized federal highway, highway safety, transit, and rail programs. The FAST Act amended the Surface Transportation Program (STP) contained in 23 U.S.C. 133, and changed the program name to the Surface Transportation Block Grant Program (STBG). The STBG promotes flexibility in State and local transportation decisions and provides flexible funding to best address State and local transportation needs.

The Association of Central Oklahoma Governments (ACOG), which serves as the Metropolitan Planning Organization (MPO) for the greater Oklahoma City Metropolitan Area, is responsible for coordinating with ODOT, area local governments, and transit providers, such as the City of Norman, to implement the applicable Transportation Improvement Plan (TIP).

The City of Norman took over the operations of the City public transportation system on June 1, 2019, from the University of Oklahoma. Since then, staff has worked diligently to pursue federal grant opportunities to maximize local funding to replace the aged vehicles that were inherited as a part of the transition of service. As of May 2022, eight (8) of thirteen (13) vehicles in the fixed-route fleet are already past their useful life according to FTA standards. While we are expecting to receive two new electric buses later this year, we will also have two additional buses in the fleet reach the end of their useful life around the same time.

On June 27, 2019, the City of Norman was recognized by the Federal Transit Administration (FTA) as an eligible recipient of federal transit funds for the Norman Urbanized Area. Transit capital projects are eligible for STBG funding under chapter 53 of title 49, of the United States Code, including vehicles and facilities that are used to provide intercity passenger bus service.

## **DISCUSSION:**

The financing provided by the proposed contract is for eighty percent (80%) of total actual auditable costs for the STBG funds. This single contract would include \$468,222 from FY2021 for the purchase of one 35ft low-floor CNG transit bus (TIP ID 11046), as well as \$491,633 from FY2022 for the purchase of a second 35ft low-floor CNG transit bus (TIP ID 11220). Both of these new buses would be used to replace buses currently in use but that have reached the end of their useful life according to FTA standards. The overall total of the STBG funds for this procurement is \$959,855. These funds would be available for reimbursement for three fiscal years after the fiscal year in which the grant is awarded.

Since the grant functions on a reimbursement basis, the grant portion (\$959,855) will need to be appropriated from the Capital Fund Balance (account 50-29000) to Special Grants Fund Service Equipment – Bus (account 22550070-45007). Once reimbursement is received, the funds will be transferred back to the Capital Fund.

A twenty percent (20%) match will need to be funded through the City of Norman. If costs exceed the amount of funding allocated in the contract, then the difference will also be funded by the City of Norman. Funds for the 20% local match are estimated at \$117,056 for the FY2021 funds and \$122,909 for the FY2022 funds. The overall total estimate of required local matching funds for this procurement is \$239,964. The entire local match amount (\$239,964) is available in Fleet Repair Transit Service Equipment – Bus (account 27550276-45007). If these funds are accepted and the proposed contract approved, staff will begin working to bring back an authorization to purchase the two buses for Council's review and approval.

## **RECOMMENDATIONS:**

1. Staff recommends that City Council accept the Surface Transportation Block Grant (STBG) from the Oklahoma Department of Transportation (ODOT) in the amount of \$959,855 to be used for the procurement of two 35ft low-floor CNG transit buses;
2. Staff recommends that City Council approve contract K-2122-130 with the Oklahoma Department of Transportation;
3. Staff recommends that City Council approve an appropriation of \$959,855 from Capital Fund Balance (50-59000) to Special Grants Fund Service Equipment – Bus (22550070-45007).