



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 12/14/2021

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

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

**ITEM TITLE:** CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF AN ADDITIONAL PAYMENT IN THE AMOUNT OF \$29,758 (\$14,759 EACH) TO GILLIG FOR THE PURCHASE OF TWO (2) 35-FOOT ELECTRIC TRANSIT BUSES, FOR A REVISED PURCHASE AMOUNT OF \$1,858,242 (\$929,121 PER BUS).

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### **BACKGROUND:**

Since taking over the City transit service from the University of Oklahoma on July 1, 2019, the City has been successful in receiving 2 separate, competitive grants to purchase battery electric busses to replace aging vehicles in the public transportation fleet. Below is background information on both battery electric bus projects:

- An authorization to purchase the City's first battery electric vehicle, a transit bus, was approved at Council's May 25, 2021 meeting. A purchase order was issued on May 27, 2021 to the manufacturer. Through the original estimate, approximately 50% of the vehicle purchase price will be reimbursed through a grant received from Oklahoma Department of Environmental Quality through the Volkswagen Settlement Fund.
- An authorization to purchase the City's second battery electric transit bus was approved at Council's August 10, 2021 meeting. A purchase order was issued on August 13, 2021 to the manufacturer. Through the original estimate, approximately 70% of the vehicle purchase price will be reimbursed through a grant received from the Federal Transit Administration's (FTA's) 2021 Low- or No-Emission Vehicle Program. The City's project was 1 of 49 projects selected in the nation.

### **DISCUSSION:**

City staff have had several pre-production meetings, both virtual and in person, with the manufacturer since the purchase orders for the battery electric busses were approved. Pre-production meetings are common and vitally important when purchasing large, complex vehicles to ensure that all of the components are correct so that the purchasing agency can operate their services successfully. During the pre-production meetings with Gillig, staff identified a few changes and additions to the original specifications for the battery electric busses that would be advantageous to the City. A revised Price Summary is attached for review.

The largest change was to add charge rails to the top of the buses. One of the major challenges with electric vehicles is the range and charge rails, when paired with a pantograph charging solution, allows the buses to be charged while in service, during a layover at a major stop or transit center. The pantograph charging solution can be thought of as an awning the bus drives underneath that extends and connects to the charge rails on the busses. Adding the charge rails to the buses now ensures that they are properly wired and outfitted for this additional charging solution if the City is able to procure and install the pantograph charging solution in the future.

The increase of \$29,758, or \$14,879 per bus, is available in the FYE 2022 budget in Public Works/Transit Division General Fund, Service Equipment/Bus (27550276-45007). If approved, the changes to the grant and local cost split are detailed below for each grant funding source:

- Through the Oklahoma Department of Environmental Quality's Volkswagen Settlement Fund, the City requested and received \$450,000, or 50%, of the original estimated cost of \$900,000. The price increase would place the cost share at \$450,000 (48%) through the grant and \$479,121 (52%) locally.
- Through the FTA FY2021 Low- or No-Emissions Grant, the City requested and received \$647,500, or 70%, of the original estimated cost of \$925,000. The price increase would place the cost share at \$647,500, or 69%, through the grant and \$281,621 (31%) locally.

If approved, City staff would notify Gillig of the change and continue working with them on the successful build of the 2 battery electric busses. Delivery of the busses is expected to be July-August 2022.

#### **RECOMMENDATION:**

Staff recommends that City Council approve the additional payment in the amount of \$29,758 (\$14,879 per bus) to Gillig to purchase 2 battery electric busses for a revised purchase amount of \$1,858,242 (\$929,121 per bus).