



## CITY OF NORMAN, OK STAFF REPORT

## Item 17

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**MEETING DATE:** 07/27/2021

**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 AUTHORIZATION TO PURCHASE ONE (1) 35-FOOT ELECTRIC TRANSIT BUS FROM GILLIG IN THE AMOUNT OF \$914,242 UTILIZING THE COMMONWEALTH OF VIRGINIA CONTRACT NUMBER E194-81688 AND BUDGET APPROPRIATION AS OUTLINED IN THE STAFF REPORT.

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### BACKGROUND:

The Federal Transit Administration (FTA) Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339) makes federal 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 and competitive grants. A sub-program, the Low- or No-Emission Vehicle Program, provides competitive grants for bus and bus facility projects that support low and zero-emission vehicles.

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 the 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. When a project is selected, funds are available for obligation three fiscal years after the fiscal year in which the competitive awards are announced.

On March 25, 2021 Council authorized by resolution a grant application submittal to the Federal Transit Administration's FY2021 Low- or No-Emission Vehicle Program for a battery electric bus, partnering with Gillig as the manufacturer, 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.

Base price, estimated options, and delivery charges were quoted as approximately \$925,000 in total cost. The minimum cost share for this grant opportunity was an 80% federal and a 20% local share, however, due to the competitive nature of this program staff recommended that the City apply with a 70% federal (\$647,500) and 30% local (\$277,500) share.

In addition to the purchase of the bus, the City would need to install an additional charging station in the Maintenance Facility's transit yard. Estimated costs for the purchase of an additional charger and installation were \$46,000. Staff proposed the same cost sharing as the bus: 70% federal (\$32,200) and 30% local (\$13,800).

Total proposed cost sharing for the grant application for the battery electric bus and the associated charger was approximately \$679,700 (70% federal) and \$291,300 (30% local).

## **DISCUSSION:**

On June 25, 2021, the Federal Transit Administration (FTA) announced the project selections through the 2021 Low- or No-Emission Grant Program. A total of 49 projects in 26 states and territories were selected through this highly competitive grant program. The City of Norman's project was the only one selected in Oklahoma.

Since receiving the project selection from FTA, staff have been working with the transit vehicle manufacturer Gillig to finalize a vehicle specification and price for the 35-foot electric bus. Currently, five (5) of the City's thirteen (13) fixed route buses (and five (5) out of nine (9) heavy duty vehicles) are manufactured by Gillig. The City of Norman named Gillig as its partner in this grant application, allowing the City to work directly with Gillig to purchase the bus if awarded the grant. City staff proposed partnering with Gillig on this procurement to capitalize on efficiencies for parts, support, warranty, and general familiarity with Gillig products.

In addition, Council authorized a purchase for its first battery electric bus from Gillig on May 25, 2021. By purchasing this additional, second battery electric bus from Gillig, staff will work with Gillig to have both battery electric buses built and delivered on the same schedule.

Purchasing the electric bus using the Commonwealth of Virginia's contract will satisfy Norman's code section 8-204. The bidding steps required by the Federal Transit Administration (FTA) were used by Virginia in approving Contract E194-81688. Currently, the State of Oklahoma does not have a robust, heavy-duty transit vehicle state contract.

The final price of the 35-foot electric bus submitted by Gillig is \$914,242. This will result in the City matching the \$639,969 (70%) grant funding with \$274,272 (30%) in local funding. To upfront the FTA share, an appropriation from Capital Fund Balance (50-29000) is needed. Funds are available for the City's matching share in Service Equipment/Bus (27550276-45007). Once the new vehicle is received, City staff will render inoperable and retire bus 5-0314, an 18-year-old diesel unit, as required by the grant. Staff will then submit for reimbursement from FTA for their share of the project and deposit the funds when received into FTA Fleet Conversion Grant Revenue (225-333389).

If approved, staff will initiate a purchase order with Gillig which will put the vehicle in the queue for production. Delivery to Norman is expected to be around July-October 2022 (approximately 12-15 months). Once received, this vehicle will be utilized in the City's fixed route system and rotated throughout the routes.

**RECOMMENDATION:**

Staff recommends that City Council authorize the purchase of the 35-foot electric transit bus from Gillig in the amount of \$914,242 utilizing the Commonwealth of Virginia contract number E194-81688 with an appropriation of \$639,969 from the Capital Fund Balance (50-29000) to FTA Fleet Grant Service Equipment/Bus (22550070-45007) to cover the FTA share until reimbursement is received.