



Date: August 7, 2018

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Terry Bellamy, Transportation Director
Subject: Purchase Authorization – Replacement of Buses

Executive Summary

The City issued a request for bids in 2015 for the purchase of buses, for a five-year contract in coordination and cooperation with The Research Triangle Regional Public Transportation Authority “GoTriangle” and the Town of Chapel Hill. The five-year contract will furnish/provide the City with up to twenty-seven new and replacement 40-foot, low-floor, heavy duty clean diesel buses for the GoDurham bus service. The contract (#13659) was executed in fiscal year 2016, and seventeen (17) buses have been ordered to date. The City is now ready to make the next order off of the five-year contract for two (2) replacement buses for FY 2019.

Recommendation

It is recommended that the City Council authorize the City Manager to execute a purchase order for two (2) replacement 40-foot, low-floor, heavy duty clean diesel buses from Gillig, LLC in the amount of \$485,610.15 per bus for a total purchase amount of \$971,220.30.

Background

In 2015, the City, serving as the Lead Agency, in coordination and cooperation with The Research Triangle Regional Public Transportation Authority “GoTriangle” and the Town of Chapel Hill, issued a request for bids for the purchase of 40-foot, low-floor, heavy duty clean diesel buses, optional equipment, identified spare parts, and special tools over the course of five (5) years between the successful bidder and each individual agency. The only response was received from Gillig, LLC of Hayward, California. Gillig, LLC was the lowest responsive bidder. After a thorough cost and single-bid analyses, it was determined that the bid pricing from Gillig, LLC was competitive and within budget. The City negotiated and executed a five-year contract with Gillig, LLC (contract #13659) for up to twenty seven (27) buses (the “Original Contract”). The Original Contract is a five (5) year purchase contract expiring on June 29, 2021. The City may issue purchase orders for a minimum 12 and a maximum of 27 buses. The City has already purchased 17 buses under the Original Contract. The current, proposed purchase order is for an additional 2 buses.

Issues and Analysis

The following pricing is in effect for the purchase of the replacement buses.

<u>COMPANY</u>	<u>Pricing*</u>
Gillig, LLC	\$473,598.00
Hayward, CA	
Bus Options (changes)	\$ 7,204.15
Price Adjustment (Inflation – 1%)	\$ 4,808.00

Total Cost per Bus	\$485,610.15
TOTAL (2 BUSES)	\$971,220.30

**Previous order (December 2017)*

Alternatives

- 1) Authorize the purchase off of contract #13659 with Gillig, LLC for new buses.
- 2) Do not authorize the purchase off of contract #13659 with Gillig, LLC, federal funds earmark will be forfeited. Moreover, the City will not meet its stated bus replacement / expansion goals.

Financial Impact

The total cost for the purchase of two (2) 40-foot, low-floor, heavy duty diesel buses shall not exceed \$971,220.30 (or \$485,610.15 per bus). Funding for this contract is available from 5300U050-732306-USTP6.

Equal Business Opportunity Summary

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Gillig, LLC and has determined that they are in compliance with the Ordinance to Promote Equal Opportunities in City Contracting.

Attachments

Price Summary for Purchase of Two (2) 40-Foot, Low-Floor, Heavy Duty Clean Diesel Buses.