



**Date:** December 18, 2023

**To:** Wanda S. Page, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Sean C. Egan, Director of Transportation  
**Subject:** Purchase Contract with Gillig, LLC for Electric Buses for GoDurham

**Executive Summary**

In December 2022, the City Council authorized the City Manager to execute an interlocal agreement with the Research Triangle Regional Public Transportation Authority (GoTriangle) and the Town of Chapel Hill for the Procurement of Buses, Bus Equipment and Parts.

In January 2023, GoTriangle, acting as the lead agency, issued an Invitation for Bids (IFB) for a 5-year contract for buses, bus equipment and parts. GoTriangle received bids from two vendors on April 18, 2023. Gillig, LLC of Livermore, California was the lowest responsive bidder for 40ft low-floor battery electric buses.

**Motion**

To authorize the City Manager to execute a purchase contract with Gillig, LLC for up to thirty-two (32) new 40ft low-floor battery electric buses over a five-year period with the initial purchase of eighteen (18) new 40ft low-floor battery electric buses in the amount of \$1,182,370 per bus for a total of \$21,282,660.

**Background**

In early 2023, the City collaborated with GoTriangle and the Town of Chapel Hill to jointly procure a new five-year contract to acquire replacement and expansion buses necessary to continue the common mission of providing safe, reliable, and sustainable transit services for their respective populations. The new contract will provide the means to purchase up to thirty-two (32) buses during the term of the contract.

The GoDurham fleet plan assumes zero-emission replacement and expansion buses to meet the City’s goal of a zero-emission fleet by 2035. The purchase contract with Gillig, LLC will ensure the City continues to move towards this goal and ensure that 50% of the fleet is zero emission by fiscal year 2027.

**Issues and Analysis**

The joint procurement resulted in responsive bids from two (2) vendors. The lowest responsive bid for 40ft low-floor battery electric buses was Gillig, LLC. The bid is approximately \$100,000 more per bus than the City’s previous order of six battery electric buses in February of 2023.

Due to limited manufacturers, Federal Buy America Requirements, and battery supply, the average time to delivery of a new bus is between 20-24 months from issuance of the purchase order. This schedule is expected to increase to up to 36 months in the coming months.

**Alternatives**

The Durham City Council could decide to:

- Authorize the City Manager to execute the Purchase Contract and the initial order of eighteen (18) electric buses;
- Send the item back to staff for further review; or,
- Not authorize the City Manager to execute the Purchase Contract and initial order of eighteen (18) electric buses. This would require the City to issue a new invitation to bid for the next purchase of replacement and expansion buses.

**Financial Impact**

The current total price of \$21,282,660 includes currently budgeted funds from multiple sources (see table below), as well as available Transit Fund balance.

Org	Obj	Project	Description	Federal	Local	Total Amount
5300U050	732306	ULONO	LoNo Grant	\$5,745,600	\$1,436,000	\$7,181,600
5300U050	732306	UFLX1	5339 Flex	\$3,025,880	\$756,470	\$3,782,350
5300U050	732306	UBEB1	Community Project	\$2,000,000	\$500,000	\$2,500,000
5300U050	732306	USC24	5307 Formula	\$1,840,914	\$460,228	\$2,301,142
5300U050	732306	USVW2	Volkswagen Settlement	\$845,600	\$211,400	\$1,057,000
5300U050	732306	UBF98	LoNo Grant	\$793,978	\$198,495	\$992,473
5300U050	732306	UBF23	5339 Formula	\$509,272	\$127,318	\$636,590
			Transit Fund Balance	\$0	\$2,831,505	\$2,831,505
<b>Totals</b>				<b>\$14,761,244</b>	<b>\$6,521,416</b>	<b>\$21,282,660</b>

**Equal Business Opportunity Summary**

The Underutilized Business Compliance Division reviewed the original bid submitted by Gillig, LLC and has determined that they are in compliance with the Ordinance to Promote Equal Opportunities in City Contracting.

**Contractor Workforce Diversity & Hiring Practices**

Gillig, LLC submitted contractor workforce diversity information as part of Exhibit 1 – Gillig LLC IFB #23-001 Bid Submittal Dated April 18, 2023. The information was submitted according to GoTriangle procurement requirements, as GoTriangle acted as the lead agency in issuing the IFB.

**Attachments**

- Purchase Contract with Gillig LLC for Low-Floor Transit Buses
- Exhibit 1 – Gillig LLC IFB #23-001 Bid Submittal Dated April 18, 2023
- Exhibit 2 – Durham, NC 40' Battery Electric Bus Price Summary Off Triangle Transit IFB #23-001 Dated November 15, 2023