



CITY OF WAUKESHA

Administration

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Committee: Transit Commission	Date: 12/5/2019
Common Council Item Number: 19-1618	Date: 12/17/2019
Submitted By: Fred Abadi- Public Works	City Administrator Approval: Kevin Lahner, City Administrator Click here to enter text.
Finance Department Review: Denise Vandembush-Kohlmann, Acting Finance Director DVK	City Attorney's Office Review: Brian Running, City Attorney BER
Subject: Approval to Purchase Two Replacement Buses from Gillig, LLC	

Details:
 This item is to seek the approval to purchase two replacement 35 foot buses from Gillig, LLC at \$447,878.00 per bus for a total cost of \$895,756.00. Transit had estimated a cost of \$460,000.00 per bus so the price received is \$12,122.00 less than the estimate per bus. These replacement buses would replace two (2) 2008 buses that were authorized in the 2020-2024 CIP. Federal grants will pay for \$716,604.80 of the purchase (80%) with the remaining \$179,151.20 from the City. Ordering the buses now vs. waiting until mid or late 2020 avoids an additional Producers Price Increase (PPI) that occurs in June. The 2019 PPI was 6.8% so ordering the buses now can save \$10,000-\$25,000/bus.

Delivery of the buses is estimated to occur in Summer of 2021 given the current lead time of 18 months from when a purchase order is issued. The new buses would replace two of the 2008 buses that will be 13 years old by the time of delivery which exceeds their useful life by 1 year. Our past experience is it is best to replace buses at the 13 year mark as we tend to experience major issues/major parts replacements after 13 years. In addition, certain parts become more scarce thus the price becomes much higher and the lead time for production much longer.

The new buses are clean diesel buses and have very low emissions. In addition, the fuel economy of the replacement vehicles is about 20% more efficient than the buses they are replacing which equates to a minimum of \$2,000 in fuel savings annually per bus given current fuel prices.

The buses would be purchased off of the WisDOT State Pricing Schedule that was used to order the 2019 buses. The Metro fixed bus fleet consists of both Gillig and New Flyer buses. The recommendation is to purchase from Gillig as their bus base price is \$25,000 less than the New Flyer Bus on the WisDOT pricing schedule. In addition, Transit staff has examined the performance and maintenance of its Gillig and New Flyer buses. The Gillig buses are requiring a lot less maintenance and replacement parts compared to the New Flyers.



Options & Alternatives:

The only viable alternative would be to purchase the New Flyer replacement buses, however, the New Flyers have had greater maintenance costs and wear and tear and are considerably more expensive.

Financial Remarks:

Total cost of the purchase of the two buses is \$895,756.00. Federal grants will pay for \$716,604.80 of the purchase (80%) with the remaining \$179,151.20 from 0430-4350-68390. This purchase was approved in the 2020--2024 CIP.

Executive Recommendation:

Recommend approval.