

May, 26, 2016

Brian Engelking Transit Manager Waukesha Metro Transit 262.524.3634

Subject: Quotation for Heavy Duty Low-Floor 35' Diesel Transit Buses

Dear Mr. Engelking,

New Flyer is pleased to submit an option price quotation for the production of two (2) 35' Diesel buses based on New Flyer's contract with Connect Transit, Bloomington.

The proposed buses will be technically configured as SR 2018 adding the requested Fire Detection System.

The price for two (2) buses is \$ 407956.5 /bus.

We want to take this opportunity to highlight key elements of our proposal:

Warranty: New Flyer exceeds industry standard warranties in many areas such as 5 year / 300.000 miles warranty for axle (Standard warranty is 2 years). Please refer to Section 3 of our proposal for information regarding our warranty proposal.

Training: New Flyer Training is an organization within the New Flyer Customer Services group – a division of New Flyer Industries. As a part of the leading manufacturer of heavy-duty transit buses in the United States and Canada, we have access to top design, engineering, propulsion technology and electrical systems professionals. This enables us to offer the service and expertise to maximize the lifetime value of your fleet. Please refer to the Connect Transit contract for our training proposal details which can be ordered as required.

Publications: Our New Flyer Publications professionals combine extensive, hands-on technical experience with exceptional writing, illustrating and publishing skills to create the industry's benchmark in maintenance manuals. Supplying accurate information in a timely manner assists the customer in the performance of proper bus maintenance, which in turn, adds to the overall reliability and lifetime value of each New Flyer bus on the road. Please refer to Section 5 of our proposal for details.

Tooling and Diagnostics: Please refer to the Connect Transit contract for our Tooling and Diagnostic proposal package.

Spare Parts: Not required.

Delivery Proposal: New Flyer is proposing a complete delivery by Q1 of 2017 based on receipt of a Notice to Proceed within 30 days of this submission.

Payment Terms: Following the terms and conditions of New Flyer's contract with Connect Transit, Bloomington our proposed payment terms are as follows:

- Payment terms are Net 30 days
- Acceptance is within 15 days of delivery

This is a very important project to us as it allows us the opportunity to continue to build on the strong relationship we have enjoyed with Waukesha Transit. It also affords us the opportunity to deliver to you, once again, some of the most advanced transit vehicles available in North America. We thank you for your continued interest in New Flyer products and look forward to working with you in the near future.

The quotation is open for acceptance for thirty (30) days. Please indicate your acceptance by signing and returning a copy of the Price Change Summary to New Flyer, attention Stephanie Laubenstein, Business Segment Director, by fax at: (204)-224-4214.

Sincerely,

Ron Yannai

Manager, Technical Sales

Sales & Marketing Department

New Flyer (204) 224-6451

Cc: Stephanie Laubenstien – Business Segment Director – New Flyer





SECTION 1

Contents:

Title	Submission Requirements
Price Change Summary:	Attached is our price change summary. Please indicate your acceptance by signing and returning a copy to New Flyer, attention Stephanie Laubenstein, Business Segment Director by Fax at: 204-224-4214



Price Change Summary

Property:	Waukesha Transit			
Option Origin:	SR-2018			
Sales Release No.:	0			
Quantity:	2			
Type:	XD35			
Price Change No.:	1			
Revision:	A			
Date:	26-May-16			

		Each	 Total
Original Contract Price Base Coach	\$	407,675.89	\$ 815,351.78
Base Bus Price Change Total	\$	280.64	\$ 561.28
Contract Spares Base Bus Price Change Total	\$	-	\$ -
Revised Price Base Bus (including ADA & delivery)	\$	407,956.53	\$ 815,913.06
Original Contract Price for Contract Spares (If priced s	epara	tely)	\$ -
Contract Spares Changes (Priced Separately) Total	\$		\$
Revised Contract Spares Priced Separately			\$ -
Original Contract Price for Miscellaneous (If priced sep	oarate	ly)	\$ -
Miscellaneous Price Change Total	\$		\$ -
Revised Miscellaneous Priced Separately			\$ -
Original Total Contract Price			\$ 815,351.78
Total Contract Price Changes			\$ 561.28
Revised Total Contract Price			\$ 815,913.06

Authorized Signatures:

New Flyer Authorization: Signature:	Stambenster
Title:	Stephanie Laubenstein, Business Segment Director
Date:	26-May-16
Property Authorization:	
Signature:	
Title:	
Date:	





SECTION 2

Contents:

Title	Submission Requirements
Price Detail Sheet	Attached is our price change details sheet. This sheet includes all price changes that are required from the base bus price to the proposed configuration as requested.

Please note that the proposed bus will be technically configured as SR-2018, adding the Fire Detection System as requested.



Price Change Detail

Property: Waukesha Transit
Option Origin: SR-2018
Sales Release No.: 0
Quantity: 2
Bus Type: XD35

Price Per Coach							
Price Change Type	Reference No.	Option No.	Option Group	SRCR No.	Description	Total	Total Contract
Base Bus Price Change	1	600	Customer Options		Fire Detection System	\$ 280.64	561.28
Base Bus Price Change Total						\$ 280.64	561.28
Grand Total						\$ 280.64	561.28





SECTION 3

Contents:

Title	Submission Requirements
Warranty Proposal:	Please refer to attached details regarding our warranty proposal.

The following section outlines New Flyer's Warranty proposal. Corresponding prices *are* included in the bus price.

	CONTRACT DELIVERABLES LIST - Warranty					
MAJOR COMPONENT DESCRIPTION BASE AND EXTENDED WARRANTY COMMENTS						
	PROVIDER	YEARS	MILEAGE			
Base Bus Warranty	New Flyer Industries Limited	1	50,000	Excluding scheduled maintenance items, acts of nature, or normal consumables		
Basic Bus Structure	New Flyer Industries Limited	3	150,000	Body, and body structure shall consist of the components that are bolted or riveted to the structure, such as, exterior panels, interior panels, roof, ceiling, and driver's barrier.		
Chassis Structure (Integrity)	New Flyer Industries Limited	12	500,000	Consists of all components that are welded together to form the main frame (skeleton) and body construction. The structural integrity guarantee covers against a significant loss of structural integrity of the assembly or its functional performance due to non corrosion related failures.		
Chassis Structure (Corrosion)	New Flyer Industries Limited	12	500,000	Consists of all components that are welded together to form the main frame (skeleton) and body construction. The corrosion guarantee covers against a significant loss of structural integrity of the assembly or its functional performance, resulting from a pertinent loss of cross-section due to corrosion caused by normal environmental elements but excludes corrosion caused by aggressive road delicers such as Magnesium Chloride or equivalents, unless New Flyer approved preventative measures are taken.		
Engine	Cummins	5	300,000	All repairs/warranty claims need to be handled through the local authorized repair facility. When the 3 year extended warranty is purchased (5 years total) the following applies: Two Year Base (Full Coverage), years 3,4 & 5 covers components only as per manufacturer's warranty document.		
Transmission	Allison	5	300,000	All repairs/warranty claims need to be handled through the local authorized repair facility. When the 3 year extended warranty is purchased (5 years total) the following applies: Two Year Base (Full Coverage), years 3,4 & 5 covers components only as per manufacturer's warranty document.		
Axle (Front and Rear)	MAN	5	300,000	Excluding maintenance items & items that are not covered by the OEM's warranty. All friction materials are excluded from this limited warranty. Wear and third party items supplied with the axle (e.g. slack adjuster, seals and bearings, shocks, air bellows, radius rods, brake chambers) are not included in the 5 year warranty. Please see manufacturer's warranty document.		
A/C	Thermo King	2	Unlimited	Some limitations and exclusions may apply - Please see manufacturer's warranty document. All repairs/warranty claims need to be handled through the local authorized repair facility.		
Brake System	New Flyer Industries Limited	2	50,000	Friction Material Excluded		
Destination Signs	Luminator	6	Unlimited	Some limitations and exclusions may apply - Please see manufacturer's warranty document. All repairs/warranty claims need to be handled through the local authorized repair facility.		
Door Systems	Vapor	3	150,000	Excluding maintenance items & items that are not covered by the OEM's warranty		
Air Compressor	Cummins	2	Unlimited			
Wheelchair Ramp	New Flyer Industries Limited	2	Unlimited			
Electrical System	Vansco	3	150,000	Excluding maintenance items & items that are not covered by the OEM's warranty		
LED Headlights	J.W.Speaker	6	Unlimited	Warranty covers parts only		
Paint Cooling System	DuPont EMP	3	Unlimited 150,000	Some limitations and exclusions may apply - Please see manufacturer's warranty document.		
Towing	New Flyer Industries Limited	1	50,000	document.		
Starter	New Flyer Industries Limited	3	Unlimited	Warranty covers parts only		
Water Leaks	New Flyer Industries Limited	6	200,000			
Power Steering Pump	R.H.Sheppard	2	200,000			
Booster Pump	Ametek	2	100,000			
Alternator	EMP	2	200,000			
Handling (15%)	New Flyer Industries Limited	1	50,000			





SECTION 4

Contents:

Title	Submission Requirements
Training:	Please refer to the attached details regarding our Training proposal

In this section, you will find an outlined recommended training proposal for the Xcelsior® XD35. This training proposal is for recommended training only. Any training courses that are desired, or requested, can be selected by Waukesha. Our Training professional team has accumulated experience in providing bespoke training programs to customers and are ready to assist you with the advice you are looking for to choose the right training for your facility team. Corresponding prices are per the Connect Contract and are not included in the bus price.

New Flyer Supplied Training						
DESCRIPTION	QTY HRS.	CUSTOMER DELIVERY	COMMENTS	SELLING PRICE	CURRENCY	REQUIREMENT
Operator Orientation	4			\$974.60	USD	Recommended
Maintenance Orientation	4			\$974.60	USD	Recommended
Multiplex System	24			\$5,847.60	USD	Recommended
Entrance & Exit Doors	4			\$974.60	USD	Recommended
Wheelchair Ramp	4			\$974.60	USD	Recommended
Brake Systems and Axles	16			\$3,898.40	USD	Recommended
Air System and ABS	8			\$1,949.20	USD	Recommended
Front and Rear Suspension and Steering	2			\$487.30	USD	Recommended
Body and Structure	4			\$974.60	USD	Recommended
Parts (use of manuals)	2			\$487.30	USD	Recommended
Electric Fan Drive	4			\$974.60	USD	Recommended
Towing and Recovery	4			\$974.60	USD	Recommended
		OEM/Subcontractor So	upplied Training			
DESCRIPTION	QTY HRS.	CUSTOMER DELIVERY	COMMENTS	CURRENT COST AT BID	CURRENCY	
Engine Maintenance	16		provided by TTS	\$4,320.00	USD	Recommended
Transmission Maintenance	16		provided by TTS	\$4,320.00	USD	Recommended
HVAC Maintenance	8		provided by OEM	\$2,700.00	USD	Recommended
Destination Signs Maintenance	4	provided at N/C by OEM	provided by OEM	\$0.00	USD	Recommended





SECTION 5

Contents:

Title	Submission Requirements
Publications:	Please refer to attached details regarding our publications package.

In this section you will find New Flyer's Publications proposal. Please note that Publication pricing *is* included in the bus price.

CONTRACT DELIVERABLES PROPOSAL - PUBLICATIONS rev a. May 11, 2016 **New Flyer Standard Bus Publications UPDATES** DESCRIPTION ΩТΥ **CUSTOMER DELIVERY** (years) COMMENTS Operator's Guide (8.5x11 3-hole) 5 With First Bus Delivery 6 Emergency Information to be on board each Emergency Responder Guide (8.5x11 laminated paper) With First Bus Delivery 6 Parts Manual 10 Business Days After First Bus Delivery 6 Service Manual 10 Business Days After First Bus Delivery 6 Bus Systems Drawings Manual (Incl. Air, Electrical, HVAC, Hyd, PLC Cooling schematics and layouts on 11x17 3-hole regular paper) 10 Business Days After First Bus Delivery 6 CD Includes only NF Manuals plus * TIV DVD ROM 6 10 Business Days After First Bus Delivery **OEM Vendor Publications** UPDATES DESCRIPTION оту COMMENTS **CUSTOMER DELIVERY** (years) Cummins ISL 9.0L CM2350 (2016EPA) Engine OEM Vendor 10 Business Days After First Bus Delivery or soon after receiving Manual Set (includes only the following) from OEM supplier Custom Parts Manual N/A Fault Code Troubleshooting Manual (Vol. 1 - 4) N/A Service Manual (Vol 1 - 2) N/A Operation & Maintenance Manual N/A 1 Owners Manual N/A Custom Parts Manual PDF file N/A 10 Business Days After First Bus Delivery or soon after receiving Allison Transmission B400 OEM Manual Set (includes only the from OEM supplier following) Service Manual - Gen4/5 N/A Parts Manual - Gen4/5 N/A Quick-Tech Troubleshooting Guide - Gen4/5 N/A Troubleshooting Manual - Gen 5 N/A Principals of Operation Manual - Gen 5 N/A Mechanics Tips - Gen 5 N/A Operator's Manual - Gen 5 N/A ThermoKing HVAC Unit OEM Manual Set (includes only the 10 Business Days After First Bus Delivery or soon after receiving from OEM supplier following) Unit Maintenance Manual N/A Intelligaire III Diagnostic Manual N/A Aux Coolant Heater System OEM Manual Set (includes only 10 Business Days After First Bus Delivery or soon after receiving the following) from OEM supplier Spheros Thermo 230 Workshop Manual N/A WABCO ABS System OEM Manual Set (includes only the 10 Business Days After First Bus Delivery or soon after receiving following) from OEM supplier Operation & Maintenance Manual N/A EMP Cooling OEM Manual (includes only the following) 10 Business Days After First Bus Delivery or soon after receiving from OEM supplier MH4 Cooling System Service Manual N/A MH4 Cooling System Troubleshooting Manual N/A 10 Business Days After First Bus Delivery or soon after receiving Destination Sign OEM Manual (includes only the following) from OEM supplier Operation & Maintenance Manual N/A 10 Business Days After First Bus Delivery or soon after receiving Vansco Multiplexing System OEM Manual (includes only the following) from OEM supplier Hardware User Guides N/A Software User Guides N/A Other New Flyer Costs DESCRIPTION QTY **CUSTOMER DELIVERY** COMMENTS Standard Labour Hours required for NF Bus Manual Set Not charged to the customer Publishing 400 N/A





SECTION 6

Contents:

Title	Submission Requirements
Tooling and Diagnostics:	Please refer to attached details regarding our Special Tools package

The following section outlines New Flyer's Tooling and Diagnostics proposal package. This Tooling and Diagnostics proposal is the New Flyer recommended tooling in order to maintain the Xcelsior® buses. The pricing is per the Connect Contract and is not included in the bus price.

DIAGNOSTICS & TOOLS						
DESCRIPTION	QUOTED	BID	CURRENCY	SELLING PRICE	REQUIREMENT	BILLABLE: Y/N
	PART # QT	QTY				
Diagnostic Equipment			USD			
Panasonic CF54 Toughbook Laptop Computer	108658	1	USD	\$2,516.38	Recommended	Υ
Nexiq USB Link	6353474	1	USD	\$1,086.12	Recommended	Υ
Cummins Insite Lite (1 year subscription)	6339520	1	USD	\$1,102.28	Recommended	Υ
Insite CD Rom	6338255	1	USD	\$26.27	Recommended	Υ
Universal Allison DOC Software - B400/500	6339222	1	USD	\$909.55	Recommended	Υ
Kit, WTEC III Breakout Box	6448115	1	USD	\$2,180.27	Recommended	Υ
EMP Software (Download from Net)	6362070	1	USD	\$0.00	Recommended	Υ
Vansco Software (Download from Net)	159687	1	USD	\$0.00	Recommended	Υ
Vansco DLA Adapter Kit	6351820	1	USD	\$534.97	Recommended	Υ
Luminator Software	6339792	1	USD	\$385.80	Recommended	Υ
Intelligaire III Diagnostic Software & Cables	6393934	1	USD	\$0.00	Recommended	Υ
Spheros Diagnostic Software & Cables	6396448	1	USD	\$545.00	Recommended	Υ
Adapter Harness - Spheros Interface	6430418	1	USD	\$0.00	Recommended	Υ
Wabco Software	6334596	1	USD	\$439.45	Recommended	Υ
Special Tools			USD			
Repair Kit - Disc Brakes & Calipers	6408310	1	USD	\$2,920.78	Recommended	Υ
Torque Multiplier	6314711	1	USD	\$2,417.44	Recommended	Υ
Hub Repair Kit - MAN VOK-07 Frt Axle	6408311	1	USD	\$6,541.03	Recommended	Υ
Optional Hub Removal Hydraulic Tool Kit - MAN VOK-07	6458834	1	USD	\$3,743.46	Recommended	Υ
King Pin Press Kit - MAN VOK-07 Frt Axle	6408312	1	USD	\$10,437.07	Recommended	Υ
Hub Repair Kit - MAN HY1350 RR Axle	6408306	1	USD	\$4,445.99	Recommended	Υ
ABS Sensor R&R Kit - MAN HY1350 RR Axle	6408307	1	USD	\$704.43	Recommended	Υ
Pinion Seal Repair Kit - MAN HY1350 RR Axle	6444302	1	USD	\$2,223.39	Recommended	Υ
Differential Repair Kit - MAN HY1350 RR Axle	6444303	1	USD	\$6,094.06	Recommended	Υ
Optional Tool Kit - MAN HY1350 RR Axle	6444304	1	USD		Recommended	Υ
Cummins ISL Full Service Tool Kit	6412388	1	USD	\$24,903.35	Recommended	Υ
Kit - Allison Service Tools	6360446	1	USD	\$6,906.54	Recommended	Υ
Rebuild Kit - EMP Alternator	6405510	1	USD	\$4,566.38	Recommended	Υ
Alignment Tool - Flex Connector	6360381	1	USD	\$714.57	Recommended	Υ
Kit - Coolant Pressure Fill	6391000	1	USD		Recommended	Υ
TK R134a A/C Tool Kit	6350866	1	USD	\$17,365.49	Recommended	Υ
Kit - Lift Tow Universal	6396565	1	USD		Recommended	Υ
Kit - Lift Tow Receivers	6396567	1	USD		Recommended	Υ
Jacking Adapters	434434	1	USD		Recommended	Υ
Xcelsior Flat Tow adapter (2 pcs. Per set)	6395097	1	USD	\$904.67	Recommended	Υ
Universal Flat Tow Bar Assy	111248	1	USD	\$2,394.59	Recommended	Υ

^{**}Per the Bloomington-Normal Contract, one spare set of each of the highlighted tools will be available for consortium member use, but are also available for purchase at the prices listed above **





SECTION 7

Contents:

Title	Submission Requirements
Spare Parts:	Please refer to the attached details regarding our spare parts package.

Not applicable as no spare parts were requested or priced. New Flyer would be happy to quote spare parts at the Waukesha's request during the pre-production process.





SECTION 8

Contents:

Title	Submission Requirements
Delivery:	Our delivery proposal is based on delivering all units during Q1 of 2017

Contracts are scheduled based on purchase order dates, customer-need dates, and material lead times. The production schedule is based on New Flyer's current production and delivery information and is New Flyer's best estimated schedule for the production and the delivery of Flagstaff's bus. This estimated schedule is for illustrative purposes only and a final schedule will be determined when a valid purchase order is received from Waukesha by New Flyer for the purchase of the bus.





SECTION 9

Contents:

Title	Submission Requirements
Payment Terms:	Payment Terms are per our current contract with Connect Transit, Bloomington

Terms:

- Payment terms are Net 30 days
- Acceptance is within 15 days of delivery