

**CITY OF WAUKESHA****Administration**

201 Delafield Street, Waukesha, WI 53188
Tel: 262.524.3701 fax: 262.524.3899
www.ci.waukesha.wi.us

| | |
|---|--|
| Committee: Finance | Date: 8/11/2015 |
| Common Council Item Number: 15-3069 | Date: 8/18/2015 |
| Submitted By: Fred Abadi- Public Works Brian Engelking-Transit Manager | City Administrator Approval: Kevin Lahner, City Administrator KL |
| Finance Department Review: Rich Abbott, Finance Director RA | City Attorney's Office Review: Brian Running, City Attorney BER (ME) |
| Subject: Review and Act on a request to approve the purchase of Five (5) Replacement Buses from New Flyer and amend the 2015 CIP for \$407,547 with the understanding that the funds to pay for the buses will come from the 2016 debt issuance using a Declaration of Intent to reimburse. | |

Details:

The Transit Commission is seeking the approval to purchase five replacement 35 foot buses from New Flyer of America, Inc. at \$407,547.00 per bus for a total cost of \$2,037,735.00. Federal grants will pay for \$1,630,188 of the purchase (80%) with the remaining \$407,547.00 from the City. These buses would replace five of the 1998 buses that have exceeded their useful life by 5 years and are in immediate need of replacement. These replacements were authorized in the 2014 CIP. Waukesha Transit Metro is part of a consortium of small and medium sized transit systems lead by Connect Transit (Bloomington/Normal, IL) that conducted a Request for Proposals for Heavy Duty Buses. The advantage of being part of a consortium is better pricing because of a much greater volume of buses being ordered. The consortium selected New Flyer. This is a change from its current bus manufacturer, Gillig. The New Flyer best and final offer was \$20,495 less per bus than Gillig and the New Flyer bus comes standard with features that are considered premium on a Gillig bus. New Flyer's lead time for production is also much shorter (6-9 months) vs the Gillig 16-22 months. Given the shorter lead time, the buses can be delivered in November 2015 which is six months earlier than anticipated given Gillig's lead time (April 2016). The 2014 CIP authorization was for a total of seven buses with an anticipated delivery and expenditure in April 2016 which means that a Declaration to Reimburse for these five buses will also need to be approved because the actual payment would now occur in December 2015. Delaying the purchase until 2016 could leave the Transit Commission short of buses as Transit Maintenance has stated that most of the remaining 1998 buses will likely fail next winter if they are kept in service. Six 1998 buses have been decommissioned since October 2013 and only six remain. Of the remaining six, three of the buses can only be used for peak service. If following the Federal Transit Administration's 12 year standard, these buses would have been replaced in 2010. In addition, delaying delivery into 2016 would likely increase the price as every 180 days, the price is adjusted to the Producer's Price Index for Truck and Bus bodies. Last, Transit would need to get back into the production schedule which likely be Spring 2016 at the earliest.

If the acquisition is approved, also approve entering into a purchase contract for the buses subject to the review and approval of the City Attorney.



Options & Alternatives:

Given the age and condition of the buses, it is not feasible to repair these buses and delaying the purchase potentially could leave the Transit Commission short of buses. There is a very limited supply of used buses for sale which has driven up the price for used buses and is also a stop gap solution. Plus there is no guarantee how long the used buses will last and what repairs would be required. The best and only viable option is to purchase the new replacement buses.

Financial Remarks:

Total cost of the purchase is \$2,037,735.00. Federal grants will pay for \$1,630,188 of the purchase (80%) with the remaining \$407,547.00 from 0430-4350-68390. This purchase was approved in the 2014 CIP and will require a Declaration to Reimburse because it was originally anticipated that the five buses would be delivered and paid for in 2016. The Preapproval for the purchase of the 5 buses would no longer be needed.

Executive Recommendation:

Recommend approval of purchase and Declaration to Reimburse.

Committee Recommendation:

[Click here to enter text.](#)