



CITY OF WAUKESHA

Administration

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| Committee: Transit Commission | Date: 2/8/2018 |
| Common Council Item Number: 18-0132 | Date: 2/19/2018 |
| Submitted By: Fred Abadi- Public Works | 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 |
| 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 \$418,048.00 per bus for a total cost of \$836,096.00. Transit had estimated a cost of \$420,276.52 per bus so the price received is \$2,228.52 less than the estimate. These replacement buses would be the last of the replacement of the seven (7) 2004 buses that were authorized in the 2015 CIP. Federal grants will pay for \$668,876.80 of the purchase (80%) with the remaining \$167,219.20 from the City. Delivery of the buses is estimated to occur in Summer of 2019 given the current lead time of 18 months from when a purchase order is issued.

The new buses would replace two of the 2004 buses that will be 15 years old by the time of delivery which exceeds their useful life by 3 years. Our past experience with buses beyond useful life has been that major issues/parts replacements begin to occur after 14 years. Incidentally, one of the 2004 buses that was considered to be a sound running bus recently experienced engine issues just ahead of being in service for 14 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 15% more efficient than the buses they are replacing which equates to a minimum of \$1,700 in fuel savings annually given current fuel prices.

The buses would be purchased off of the WisDOT State Pricing Schedule that was used to order the 2018 buses. For comparison, we also requested a quote from New Flyer using the Connect Transit (Bloomington/Normal) pricing which we have purchased buses off of in the past and offers the best pricing for New Flyer buses to Waukesha Metro. The quote from New Flyer was \$414,395.38 per bus. On paper the New Flyer quote is less than Gillig but the Gillig price includes \$4,112 of spare parts which the New Flyer does not. When factoring the spare parts out of the Gillig price, the Gillig bus is \$459 less per bus. The spare parts for the Gillig bus is advantageous because federal capital funds at 80% can pay for them. Otherwise the spare parts would need to be purchased out of the Transit operating budget.



With the purchase price of the bus being virtually the same, Transit staff examined the performance and maintenance of its 2015 Gilligs and 2015 New Flyer buses. The Gillig buses have 8 more months of service and have an average of 105,000 miles and the New Flyers have an average of 71,000 miles. Despite the higher mileage, the brakes on the Gillig buses are in great shape whereas the New Flyers are about due for a second set of new brakes. In addition, the New Flyers are experiencing greater wear and tear. The 2017 New Flyers also have had some quality issues that have just recently been resolved. Given these factors, the Gillig buses are proving to be more reliable than the New Flyer buses and our recommendation is to make this award to Gillig.

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.

Financial Remarks:

Total cost of the purchase of the two buses is \$836,096.00. Federal grants will pay for \$668,876.80 of the purchase (80%) with the remaining \$167,219.20 from 0430-4350-68390. This purchase was approved in the 2015 CIP.

Executive Recommendation:

Recommend approval.