



**City of Waukesha**  
201 Delafield Street  
Waukesha, WI 53188  
Tel: 262.542.3700  
waukesha-wi.gov

## City of Waukesha Cover Sheet

<b>Committee:</b> Finance Committee	<b>Meeting Date:</b> 9/16/25
<b>ID Number:</b> ID#25-02092	<b>Ordinance/Resolution Number (if applicable):</b> NA
<b>Department Submitting:</b> Department Public Works-Transit	<b>Submission Date:</b> 9/09/25 (Finance Committee)
<b>Agenda Item Title:</b> Review and Act on Request to Purchase of Three Fixed Route Buses from Gillig, LLC	

### Issue Before the Council:

This item is to review and act on a request to purchase three replacement (3) 35 foot diesel fixed route buses from Gillig, LLC at a cost of \$660,219/bus and a total cost of \$1,980,657 with delivery in 2027. The quote is about \$30,000 less per bus than was requested in the CIP. The reason for the lower price is the quote was based off of Year 2 of the WisDOT Heavy Duty Bus Contract which ends September 30<sup>th</sup>. If the purchase order can be issued before that date, we can avoid paying the Year 3 producer price index (PPI) increase which currently is approximately 4% or \$26,500 per bus. Gillig has put a caveat on the price quote that increases in equipment due to future tariffs or changes to tariffs may result in a future modification of the price. The lower than expected cost and long lead time in production (18-20 months) are the reasons why Transit is requesting the authorization of this purchase now vs. waiting until the entire CIP budget is approved.

The buses would be paid for in 2027 when delivered. The cost of the buses would be covered by 100% federal funds. \$1,584,525.60 (80%) of the costs of the purchase would be covered by federal grants and the remaining 20% \$396,131.40 would be covered by City Transit Operating funds that would be reimbursed using federal relief dollars.

The new 2027 buses would replace buses from 2015 which will reach their useful 12 year life in 2027 and will have 380,000-400,000 miles per bus. Due to service reductions, the three new buses would replace a total of five buses reducing the fixed fleet by two. The 2015 buses have frequent issues with the wheelchair ramps and are not cost effective to replace the ramps at this point. In addition, three of the buses up for replacement, 159-161, were driven excessively their first few years out of necessity which caused premature aging to them. Delaying the replacement of these



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buses would create a backlog of bus replacements as a total of eleven buses will reach their useful life in 2027 and 2028. There also are six additional buses that will reach their useful life from 2029-2031.

The new buses would be clean diesel buses and have very low emissions. Transit staff have been actively investigating alternative fuel and electric buses but do not recommend moving to these types of vehicles at this time as the costs, limitations and lack of reliability of these type of vehicles outweigh the benefits.

The new buses would also have enhancements such as bike racks, much lower emissions, better fuel economy, and new onboard AVL system and white LED front and passenger side destination signs.

**Options & Alternatives:**

One alternative would be to delay the purchase until after the CIP is approved but that would cost an estimated extra \$79,500 as the purchase order would be issued in Year 3 of the WisDOT contract. Another alternative would be to authorize a smaller quantity of buses but that would defer more replacements to future years and there will already be three buses past their useful life with three additional buses reaching their useful life in 2028. It would most likely then require a larger number of buses to be purchased at once in the future.

**Additional Details:**

**What is the Strategic Plan Priority this item relates to:**

People Centered Development



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**What impact will this item have on the Strategic Plan Priority?**

The replacement buses ensure the fixed route fleet remains able to provide the bus service to the community and provides enhancements over the retiring buses.

**Financial Remarks:**

The total cost of this purchase is \$1,980,657 with \$1,584,525.60 (80%) covered by federal grants and the remaining \$396,131.40 would come from transit operating funds and be reimbursed by federal relief funds so the net result is federal funds would pay 100% of the costs. Gillig has put a caveat on the price quote that increases on equipment due to future tariffs or changes to tariffs may result in a future modification of the price.

**Executive Recommendation:**

Recommend approval.

**Recommended Motion:**

Motion to recommend to Council the purchase of the three buses from Gillig, LLC for a total of \$1,980,657.

**Reviewed By:**

<b>Reviewer #1 Name &amp; Title</b>	<b>Reviewer Signature</b>
Joseph Ciurro	09/05/2025
<b>Reviewer #1 Name &amp; Title</b>	<b>Reviewer Signature</b>
<b>City Administrator</b>	<b>Reviewer Signature</b>



8/20/2025

**Brian Engelking**  
**Transit Manager**  
**City of Waukesha**  
**2311 Badger Drive**  
**Waukesha, WI 53188**

Dear Mr. Engelking,

Thank you for your interest in purchasing (3) 35' Diesel Low Floor Buses by utilizing the State of WI Department of Transportation Contract No. 510475.

Attached you will find the price variance/price summary that would pertain to your order. This price is based upon the original contract terms that went into effect 9/20/23.

**(3) 35' DIESEL LOW FLOOR BUSES**

**\$660,219.00 each**

This price is valid for 90 days and is FOB City of Waukesha, WI. Prices exclude any taxes and license fees. The production start date of this order will begin within 18 – 20 months from receipt of purchase order.

The current Administration has recently placed substantial tariffs on goods imported into the United States, and there have been indications that additional or different tariffs may be imposed. Although we are actively working with our suppliers to determine the financial impact these tariffs may ultimately have on our material and production costs, we believe in some cases (bus configuration) it will add a significant cost to the bus price which GILLIG is unable to absorb. As a valued partner, you have our commitment and assurance that we will do everything possible to minimize the impact as we navigate this developing situation. However, contract modifications and price adjustments will likely be necessary to offset any cost increases due to these tariffs.

We thank you for this opportunity and appreciate your interest in GILLIG and our products. We at GILLIG look forward to building another order for City of Waukesha and in so doing, continuing to build our lasting partnership. Working together, GILLIG is confident we can manage the tariff situation and continue to build and deliver the best transit buses in the industry along with the highest level of customer satisfaction.

Should you have any questions, please do not hesitate to contact me at (510) 876-6100.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Rudiger".

Dan Rudiger  
Midwest Regional Sales Manager