



City Council Agenda Item

City Council Meeting Date: December 4, 2018

TO: Jim Throop, City Manager

FROM: Richard Fernbaugh, Aviation/Transportation Administrator
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SUBJECT: Award of a Contract in the Amount of \$295,166.40 to Purchase Three Transit Buses

Recommendation:

Staff recommends the City Council:

- 1) Authorize the purchase of three transit buses from A to Z Bus Sales for \$295,166.40; and
- 2) Authorize the Purchasing and Materials Manager to issue a Purchase Order for the purchase.

Background:

City of Lompoc Transit (COLT) owns and maintains a fleet of thirteen vehicles, twelve buses and one 8-passenger shuttle to serve both Fixed Route and Americans with Disabilities Act (ADA) services. Of the twelve buses, eight are generally used on daily routes and five are available when the front-line buses are unavailable.

Transit services and transit capital purchases, such as buses, are funded from a variety of sources dedicated to transit, requiring no General Fund support. The primary funding source for transit services is from state Transit Development Act (TDA) funding. Another source, used primarily for operational costs, is the Federal Transit Administration (FTA). In 2009, the Federal Government authorized transit grant opportunities through the American Recovery and Reinvestment Act (ARRA). COLT has utilized TDA and ARRA funds to purchase buses for the COLT fleet.

The current inventory of 13 COLT vehicles, with purchase date, quantity acquired and the funding source is as follows:

<u>Purchase Date</u>	<u>Vehicles Purchased</u>	<u>Type</u>	<u>Funding Source</u>
August 2009	1	shuttle	TDA
June 2012	3	bus	TDA
August 2012	1	bus	TDA
November 2014	1	bus	ARRA
December 2017	5	bus	TDA
January 2018	2	bus	TDA

Buses are assigned an economic life of 5 years and are initially scheduled to be replaced approximately every 5 years. While 5 years is generally the point at which the buses begin to experience both minor and major maintenance issues that can lead to equipment fails during service and/or missed routes, COLT also utilizes maintenance history data to determine when to replace a bus. COLT utilizes the City's centralized fleet services to maintain vehicles. Fleet services analyzes maintenance costs and advises COLT regarding the replacement schedule for COLT vehicles. Prior to the approval to purchase seven buses by the City Council on April 18, 2017, no buses had been purchased for COLT services since 2014. With the current proposed acquisition, the COLT fleet will have ten buses that are less than 5 years old and two that are as much as 7 years old. (The shuttle is scheduled for replacement during 2019.) Buses proposed for replacement are 8-10 years of age and are experiencing increased service intervals and maintenance costs.

Discussion:

Buses are available for purchase under the California Association of Coordinated Transportation (CalAct) competitively awarded contract (CalAct RFP #15-03 awarded in 2016 revision 9). CalAct is a cooperative purchasing association of California transit agencies who have joined together with a goal of combining their purchasing power. The Lompoc Municipal Code (LMC) provides for cooperative purchases such as through CalAct. While the bus purchases are utilizing state TDA funds, the CalAct procurement process meets the FTA's procurement guidelines. Buses purchased for fiscal year (FY) 2018-19, which are to be ordered upon approval by the City Council, anticipated to be delivered after April 1, 2019, will be under the current contract prices, terms and conditions of the CalAct RFP #15-03 awarded in 2016. Deferring the acquisition will require use of CalAct's replacement contract, which is expected to increase the cost of the buses. Buses intended to be ordered under the CalAct RFP #15-03 are smaller, more efficient, models than the buses being replaced. With the acquisition of the proposed buses, ten of COLT's thirteen vehicles will use gasoline rather than diesel. Ongoing operational costs will be improved with the proposed acquisition reducing overall operational costs; an important factor in evaluating transit operator efficiencies.

Fiscal Impact:

The City's Biennial Budget FYs 2015-17 included appropriations of \$528,000 for bus purchases in account 723TRN-753150 – Transit System Buses. The budgeted appropriations provided for the acquisition and outfitting of approximately two buses per year. In addition, \$1,120,000 has been carried forward in account 723RN-753150 from prior budgets providing funding for the previously acquired seven buses in December 2017. By selecting buses that are smaller and more efficient, the per unit acquisition cost of the current buses are substantially lower than buses purchased in 2012 and 2014.

The purchase of all three replacement buses will use \$528,000 of funds provided by TDA resources set aside during the FY 2016-17 and 2017-18 TDA claim cycles. Utilizing the CalAct contract for securing the purchase of the busses is appropriate under the LMC for cooperative purchases.

The proposed expenditure of \$295,166.40 for the acquisition of three COLT buses is within the authority of both the TDA claim process and the City's available appropriations.

Conclusion:

The purchase of three COLT buses from A to Z Bus Sales will allow COLT to operate more efficiently while maintaining the level of services available to COLT customers.

Respectfully submitted,

Richard Fernbaugh, Aviation/Transportation Administrator

Dirk Ishiwata, Fleet & Facilities Superintendent

Ray Ambler, Purchasing and Materials Manager

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Kevin C. McCune, Public Works Director

Brad Wilkie, Management Services Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager