



City of Culver City

Staff Report Details (With Text)

File #: 23-186 **Version:** 1 **Name:** (1) Approval of a Purchase Order with New Flyer of America, Inc, in an Amount Not-to-Exceed \$685,463 for Five Depot Chargers; and (2) Approval of a Change Order to Increase a Purchase Order with New Flyer of America, Inc. in an Amount Not-to-Exceed \$417,1

Type: Minute Order **Status:** Consent Agenda

File created: 9/7/2022 **In control:** City Council Meeting Agenda

On agenda: 9/19/2022 **Final action:**

Title: CC - CONSENT ITEM: (1) Approval of a Purchase Order with New Flyer of America, Inc, in an Amount Not-to-Exceed \$685,463 for Five Depot Chargers; and (2) Approval of a Change Order to Increase a Purchase Order with New Flyer of America, Inc. in an Amount Not-to-Exceed \$417,156 for Six Battery Electric Buses.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2022_09_19_ATT 1_ SR-2661 New Flyer Customer Surcharge Jun 2022.pdf

Date	Ver.	Action By	Action	Result
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CC - CONSENT ITEM: (1) Approval of a Purchase Order with New Flyer of America, Inc, in an Amount Not-to-Exceed \$685,463 for Five Depot Chargers; and (2) Approval of a Change Order to Increase a Purchase Order with New Flyer of America, Inc. in an Amount Not-to-Exceed \$417,156 for Six Battery Electric Buses.

Meeting Date: September 19, 2022

Contact Person/Dept: Allison Cohen/Transportation Department
Phone Number: (310) 253-6543

Fiscal Impact: Yes No **General Fund:** Yes No

Attachments:

Commission Action Required: Yes No **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (09/14/2022)

Department Approval: Rolando Cruz, Chief Transportation Officer (09/07/2022)

RECOMMENDATION

Staff recommends the City Council (1) approve a purchase order with New Flyer of America, Inc. in an amount not-to-exceed \$685,463 for five additional depot chargers; and (2) approve a Change Order to increase an existing purchase order with New Flyer of America, Inc. in an amount not-to-exceed \$417,156 to facilitate payment of a seven percent surcharge to supply six battery electric buses.

BACKGROUND/DISCUSSION

At the July 13, 2020 City Council meeting, City Council authorized staff to negotiate an option with New Flyer of America, Inc. for six additional buses and nine additional depot chargers. At the May 24, 2021 City Council meeting, City Council approved an agreement with New Flyer of America, Inc. to furnish and deliver six 40-foot battery electric buses (BEBs), spare parts, and diagnostic equipment in an amount not-to-exceed \$5,752,070. Costs for six buses at the time the quote was obtained was \$5,981,882, less the California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) incentive of \$828,000 for a total adjusted cost of \$5,153,882. Staff sought approval of a 10% contingency for any design changes or improvements that can be made to the bus for an additional cost of \$598,188 for a total approval of \$5,752,070.

In anticipation of the delivery of six additional battery electric buses, and in alignment with Council's July 2020 direction, staff recommends the purchase of five new depot chargers. Each depot charger will be equipped with two dispensers and will be able to support sequential charging for up to two buses per charging session.

On June 15, 2022, New Flyer sent a letter to Culver City's Chief Transportation Officer requesting a seven percent price increase on the City's existing contract for the purchase of six battery electric buses. New Flyer sent similar requests to other clients with orders for vehicles with a delivery date on or after July 1, 2022. The letter (Attachment A) states that the increase is due to business disruptions due to the COVID pandemic that have resulted in global supply chain issues. This request was triggered within the transportation industry by the Federal Transportation Administration acknowledgement that price adjustments could be considered as result of the 2022 economic challenges. They also clarified that federal funds could be used as there is an unprecedented level of Federal funding available to transit.

The actual unplanned bus cost increase incurred by New Flyer for each of the six battery electric buses Culver City has on order is \$122,732. This per bus cost increase is significantly higher than New Flyer's requested surcharge of seven percent, or \$69,526 per bus. Staff recommends issuing a Change Order to the existing purchase order for the seven percent surcharge increase, and has negotiated the following additional changes with New Flyer at no cost to Culver City: (1) the provision of improved commissioning and sign-off plans for the six new buses, (2) the provision of improved commissioning and sign-off plans for all new depot chargers, (3) enhanced written warranty terms for new and existing depot chargers, and (4) enhanced Service Level Agreements for new and existing depot chargers.

The Office of Management and Budget Guidance for Grants and Agreements (OMB) Uniform

Guidance permits the parties to an existing federally funded contract to modify the contract for several reasons, including price adjustments. When permitted to modify a contract, FTA recipients are responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements (2 CFR § 200.318(k)).

FISCAL ANALYSIS

Funding for the six battery electric buses is encumbered in Purchase Order 22102823 in the amount of \$5,690,950 and utilizes Federal 5307 section grant funding with an 85% federal and 15% local split.

Sufficient funding for the proposed Change Order and for the purchase of the depot chargers is available in Capital Improvement Plan Projects PB001 (Battery Electric Buses) and PB002 (Transportation Facility Electrification).

No General funds will be used for this purchase.

ATTACHMENTS

1. 2022_09_19_ATT 1_ SR-2661 New Flyer Customer Surcharge Jun 2022

MOTIONS

That the City Council:

1. Approve a purchase order with New Flyer of America, Inc. For the purchase of five depot chargers in an amount not-to-exceed \$685,463;
2. Approve a Change Order to an existing purchase order with New Flyer of America, Inc. in an amount not-to-exceed \$417,156 to supply six battery electric buses; and
3. Authorize the Purchasing Officer to execute such purchase/change orders on behalf of the City.