



City of Culver City

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Staff Report

File #: 20-1095, Version: 1

Item #: C-7.

CC - (1) Approval of an Agreement with New Flyer of America, Inc. for the Purchase of Four (4) Battery Electric Buses and Associated Equipment in an Amount Not-to-Exceed \$4,426,800; (2) Authorization to Negotiate an Option with New Flyer for Six Additional Buses and Nine Additional Depot Chargers; and (3) Authorization to Explore Additional Sources of Funding and Grant Agreements with the Federal Transit Administration (FTA) for the Low or No Emission Vehicle Deployment Program and the California Air Resources Board (CARB)'s HVIP Program.

Meeting Date: July 13, 2020

Contact Person/Dept: Mike Tobin / Transportation
Phone Number: 310-253-6593

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☐ **Attachments:** ☐

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

Public Notification: (E-Mail) Meetings and Agendas - City Council (07/08/2020);

Department Approval: Rolando Cruz (06/30/2020)

RECOMMENDATION

Staff recommends the City Council 1) approve an agreement with New Flyer of America Inc, to furnish and deliver four 40-foot battery electric buses (BEBs), a depot charger, spare parts, and diagnostic equipment in an amount not-to-exceed \$4,426,800; 2) Authorize staff to explore and negotiate with New Flyer an option for six additional buses and nine additional depot chargers to be delivered by the end of 2021; and 3) Authorize staff to explore additional sources of funding and grant agreements with the Federal Transit Administration (FTA) for the Low or No Emission Vehicle Deployment Program and the California Air Resources Board (CARB)'s HVIP program, to be used toward Phase I and Phase II funding of ten battery electric buses.

BACKGROUND/DISCUSSION

The Culver City Transportation Department, with guidance and direction from the City Council, has committed to converting the Culver CityBus fleet to 100% battery electric buses by 2028. As the department works on the long-term strategy, we are ready to execute the first two phases of a project to pilot and learn from the experience of battery electric buses (BEBs).

The scope of the Phase I of the project includes the purchase of four BEBs delivered by June 30, 2021, and installation of a temporary depot charger. During this first phase, the department will hire a consulting firm to assist in the creation of a "BEB Transition Plan," including the creation of a facility plan on how to accommodate the 54 buses on the agency's property. As part of that plan, the consultant will provide the details for the charging of 10 buses by the end of 2021, and an outline for the remaining infrastructure phases to ensure that the property is prepared for full fleet electrification by 2028. Phase II will be the purchase of six additional buses and installation of the nine remaining depot chargers by early 2022. During this second phase, Culver City Transportation staff will collect operational data from all 10 buses to help strategize the rollout of the remaining electric buses. Staff requests City Council authorization to negotiate an option for six additional battery electric buses and corresponding depot chargers as part of Phase II.

On February 28, 2019, the State of California Department of General Services Procurement Division issued Request for Proposal (RFP) Event ID #0000010012 to solicit proposals from qualified firms to manufacture and provide a variety of Zero-Emission Transit Buses (ZEB) for participating local governmental agencies and State of California (State) departments at contracted pricing in accordance with the requirements of the RFP. This statewide contract (also known as leveraged procurement agreement or cooperative contract) meets all FTA procurement requirements and eliminates the need for individual transit operators to issue competitive bids.

Proposals were received from El Dorado National (Creative Bus Sales), Gillig, BYD, Proterra, and New Flyer of America, Inc. The submissions by BYD and Gillig were deemed technically noncompliant. The evaluation criteria consisted of strength of references, Employment Plan, Battery Leasing Program, and Cost.

New Flyer of America Inc. was deemed an approved supplier of zero-emission buses, scoring highest for all five groups awarded, including the evaluation of environmental sustainability factors during the production and delivery of the buses, ISO 14001 Environmental Management Systems, Greenhouse Gas Reporting, and Freight Transparency Efficiency. As Proterra was within 10% of the score, they too are a qualified vendor to be considered for award.

Staff is recommending approval of an agreement with New Flyer for four buses and authorization to negotiate an option for six buses, as New Flyer was the highest scoring vendor in the state bid, and Culver CityBus has a long-term partnership with New Flyer. Culver CityBus currently operates a 100% New Flyer fleet, which makes it easier for operators and maintenance front-line staff; provides a consistent, reliable fleet; and reduces the need for training of operators and technicians, as well as the need for additional parts inventory.

Based on the competitively offered prices, inclusion of a battery upgrade, and, in comparison to costs for elements included in our Independent Cost Estimate, the base bus price is considered fair and reasonable. All buses will be compliant with the Federal Clean Air Act and the Americans with Disabilities Act.

FISCAL ANALYSIS

The Culver City Transportation Department is seeking the authorization to enter into a contract for the purchase of four (4) 40' Battery Electric Buses, with an option for six (6) Battery Electric Buses through the State of California's leveraged procurement agreement with New Flyer of America. Pricing of \$738,769 per base bus includes a volume discount of 0.4%. A battery upgrade option to purchase a 388 kWh battery for each bus for \$49,815 is also included, bringing the total base price per bus to \$788,584 for Phase I. Adding Culver City equipment options, ADA equipment, painting, a reduced sales tax rate of 4.25% and delivery charges, the base bus cost will equal \$927,950 per bus for a total of \$3,711,800 for the first four buses. Staff is also seeking authorization for \$725,000 to purchase spare parts, diagnostic tools, a single 150kW plug-in depot charger, and for any change orders required to build the buses. The total authorization of the initial contract with New Flyer is \$4,426,800.

Funding to purchase these buses is being sourced from Federal Transit Administration (FTA) Section 5307 formula and discretionary dollars allocated to Culver City Transportation Department in the amount of \$3,762,780, and local match dollars sourced from State of California TDA capital reserve funds in the amount of \$664,020. All funds are identified in the FY21 Transportation Department Capital Budget in account 20370300.732100.

Phase II, which is the procurement of six additional buses, will be budgeted in FY22. Pricing will remain the same for all buses that are delivered in calendar year 2021, for a total base bus cost of \$927,950. Additional funds will be needed for the procurement of the selected 10 depot chargers and contingency. Staff will return to the City Council for authorization to execute Phase II of the contract.

Staff will continue to seek additional funds for Phase II of the project by pursuing grant funding at both the federal and state levels. This includes applying for federal capital dollars through the FTA's Low or No Emission Program and the Bus and Bus Facilities Program, both of which award funds on a competitive basis to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction, and leasing of required supporting facilities. Additionally, staff will apply for funding under the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). These additional sources of funding, if awarded, would be used to supplement the budgeted 5307 dollars that have already been allocated toward this project.

ATTACHMENTS

None.

MOTION

That the City Council:

1. Approve an agreement with New Flyer of America Inc, to furnish and deliver four 40-foot

battery electric buses (BEBs), a depot charger, spare parts, and diagnostic equipment for an amount not to exceed of \$4,426,800;

2. Authorize the City Attorney to review/execute the necessary documents;
3. Authorize the City Manager to execute such documents on behalf of the City;
4. Authorize staff to explore and negotiate with New Flyer an option for six additional buses and nine additional depot chargers to be delivered by the end of 2021; and
5. Authorize staff to explore additional sources of funding and grant agreements with the Federal Transit Administration (FTA) for the Low or No Emission Vehicle Deployment Program, the Federal Bus and Bus Facilities Program, and the California Air Resources Board (CARB)'s HVIP program, to be used toward Phase I and II funding of ten battery electric buses.