City of Culver City

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Staff Report

File #: 21-945, **Version:** 1 **Item #:** C-9

CC - (1) Approval of a Purchase Order with New Flyer of America, Inc. in an Amount Not-to-Exceed $5,752,070 ($5,153,882 Base, Plus $598,188 Contingency) to Supply Six Battery Electric Buses; and (2) Approval of a Purchase Order with A-Z Bus Sales in an Amount Not-to -Exceed $242,978 ($202,481 Base, Plus $40,496 Contingency) to Supply One Shuttle Bus.

Meeting Date: May 24, 2021

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

Fiscal Impact: Yes [X] No [] **General Fund:** Yes [] No [X]

Public Hearing: [] **Action Item:** [] **Attachments:** []

Commission Action Required: Yes [] No [X] **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (05/20/2021)

Department Approval: Rolando Cruz, Chief Transportation Officer (05/14/2021)

RECOMMENDATION

Staff recommends the City Council (1) approve a purchase order with New Flyer of America, Inc. in an amount not-to-exceed $5,752,070 ($5,153,882 base plus $598,188 contingency) to supply six battery electric buses; and (2) approval a purchase order with A-Z Bus Sales in an amount not-to-exceed $242,978 ($202,481 base plus $40,496 contingency) to supply one shuttle bus.

BACKGROUND/DISCUSSION

Culver City Vehicle Electrification

Since 1997 when the Culver City Transportation Department commissioned its compressed natural gas refueling station, Culver City has relied heavily on alternative fuels to power the City's fleet of over three hundred vehicles and has set a high standard for sustainable fleet operations. Today, the City operates over one hundred alternative fuel vehicles including an ever-increasing fleet of battery electric vehicles.

As the first public transit fleet in South Coast Air Quality Management District (AQMD) and the second in the State of California to operate a 100% CNG fleet, Culver CityBus is now committed to further reducing its carbon footprint by fully electrifying its fleet of 54 transit buses in advance of the 2028 Summer Olympics. Additionally, the city has committed to electrify all vehicles with mature technology and deemed reliable and seek funds for pilot projects for other vehicles.

In order to pay the higher capital costs of these vehicles, staff is continually seeking grants and programs to offset the incremental costs to electrify our fleet. One of those programs is California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) which makes clean vehicles more affordable for fleets through point-of-purchase price reductions. The California Air Resource Board's (CARB) HVIP program allows transit agencies to request and redeem discount vouchers for the purchase of eligible zero emission vehicles. Under the program, properties are able to request $20,000 up to $240,000 in incentive vouchers per vehicle depending on the vehicle selected. The incentive amount will be included on our PO as an immediate price reduction. Culver City will pay the invoice minus the discount amount and the dealer will submit the voucher request.

However, agencies must have a PO in place within 90 days of issuance of funds to be eligible. Staff has been advised that CARB will be releasing the vouchers on a first come first awarded basis in late spring. Staff has 10 vehicles scheduled for replacement in FY22's budget with electric vehicles that qualify for this program. By being prepared and able to issue POs within the next 90 days, staff has calculated a savings of $960,000 in vouchers that can be applied towards these planned purchases. Thus, staff are recommending authorization from City Council to issue Purchase Orders for the following vehicles:

New Flyer Battery Electric Buses

At the July 13, 2020 City Council meeting, City Council approved 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, and to authorize staff to explore and negotiate with New Flyer an option for six additional buses. The first four electric buses have entered into production and are scheduled to be delivered in August 2021.

Staff has negotiated an option with New Flyer for BEBs with an expanded battery pack for a higher range and are now seeking approval to issue another PO for the purchase of an additional six battery electric buses, to be delivered by the end of calendar year 2022.

Costs for six buses is $5,981,882, less the HVIP incentive of $828,000 for a total adjusted cost of $5,153,882. Staff is also seeking 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. This does not include the costs of depot chargers. Staff will return to City Council with a recommendation for the chargers once our long-term electrification infrastructure plan is completed in September 2021.

CityRide Vehicle

Over the past seven years the Transportation Department has provided Dial-A-Ride (DAR) services within Culver City to those, primarily seniors, who are unable to drive or ride fixed route service. The

existing three (3) DAR vehicles and one passenger van, previously operated by Parks and Recreation, have become unreliable and have reached their useful life, requiring replacement.

Under the new branding of mobility services, the replacement vehicles will be used for all local services under the program of Culver CityRide. This program will continue mobility on-demand services for our seniors and expand over the FY22 with three new pilot programs, a student programs with the Parks & Recreation department, the downtown circulator project, and our future microtransit programs. The common branding of all these vehicles, will give the Transportation department the flexibility in scheduling of labor and vehicles in delivering local service within the boundaries of Culver City.

This project involves the purchase of one Ford Electric Cutaway E-Series shuttle in FY 2021-22 to replace one of the existing shuttles. The E-Series vehicle is equipped with 20 passenger seats and curb-side accessibility for two wheelchairs. The shuttle will be delivered by the end of 2021 and will primarily support the mobility of larger groups. Staff intends to replace the other three vehicles with smaller electric vehicles and is continuing to do research on vehicles that can meet the existing and expanded services of CityRide. Staff will come back to council for approval of future replacements.

Staff is recommending a purchase order with AZ Bus Sales, exercising an option off of the CAL-ACT bid for the procurement of the Ford Electric E-Series Shuttle at a cost of $262,482 less the HVIP incentive of $60,000 for a total cost of $202,482. This procurement is exempt from formal bidding procedures per Culver City Municipal Code Section 3.07.055.G, which exempts bidding requirements where competitive bid procedures have already been utilized by the City, public agency or joint power agency and the goods or supplies are supplied to the City at the same or better price. This procurement satisfies this requirement, as staff was able to secure competitive pricing from AZ Bus Sales through CAL-ACT. Staff is also seeking a 20% contingency for the completion of the design (to include a vehicle wrap, installation of radio and CAD/AVL equipment) for a total project cost not to exceed $242,978.

FISCAL ANALYSIS

Battery Electric Buses

The six Battery Electric Bus project has been budgeted in the FY22 budget in the amount of $5,752, 070 and will utilize Federal 5307 section grant funding with an 80% federal and 20% local split. The City has also applied for funding through the FTA's 5339 (C) Low or No Emission Program to pay for the incremental costs of the vehicles. Should we receive these funds, they will substitute for the 5307 funds.

The federal split will cover $4,601,656 and the City will allocate FY22 California State TDA Article 4 Capital Reserve funds and Proposition C Discretionary funds in the amount of $1,150,414 to be reserved for the local 20% share of this purchase. No General funds will be used.

CityRide Vehicles

These vehicles will be purchased with local funds. The total project costs estimated at $242,978 have

been budgeted in the FY22 budget in account 20370300.732100. The Transportation Department has reserved FY21 State Transit Assistance (STA) funds in the amount of $184,631 and will utilize FY22 Proposition C Discretionary funds for the balance of remaining funding in the amount of $58,347. No General funds will be used.

As all of these funds are budgeted in FY 2021-2022 and the purchase orders price are based on award of the HVIP voucher, so that no purchase order will be issued unless the vouchers are secured and no funds will be expended until after the new fiscal year.

ATTACHMENTS

None

MOTIONS

That the City Council:

1. Approve a purchase order with New Flyer of America, Inc. in an amount not-to-exceed $5,752,070 ($5,153,882 base plus $598,188 contingency) to supply six battery electric buses;

2. Approve a purchase order with A-Z Bus Sales in an amount not-to-exceed $242,978 ($202,481 base plus $40,496 contingency) to supply one shuttle bus;

3. Authorize the Purchasing Officer to execute such purchase orders on behalf of the City.