



BOARD OF DIRECTORS REPORT

MEETING DATE: OCTOBER 15, 2024 **AGENDA ITEM #: 9**

TYPE: ACTION ITEM

PREPARED BY: SENIOR PURCHASING AGENT VALERIE WHITE

REVIEWED BY: GENERAL MANAGER JERRY ESTRADA

SUBJECT: PURCHASE OF EIGHT (8) BATTERY-ELECTRIC BUSES AND ELECTRIC VEHICLE CHARGING EQUIPMENT

RECOMMENDATION:

Staff recommends that the Board provide advance authority to the General Manager to issue purchase orders to Gillig, LLC (Gillig) through the State of Washington cooperative purchasing RFP #2020 06719-01 for eight 40-foot low-floor battery-electric buses (BEBs) and associated electric vehicle (EV) charging equipment for a total not to exceed of \$13,771,000—conditional to meeting the funding source requirements and timelines, including (as necessary) the Federal Transit Administration (FTA) mandated Pre-Award Buy America Audit indicating compliance with Buy America provisions.

DISCUSSION:

Background: On April 18, 2023, MTD adopted the Zero-Emission Bus Rollout Plan, where MTD outlined the details of its transition to a 100% zero-emission fleet in accordance with the California Air Resource Board's (CARB) Innovative Clean Transit (ICT) regulation. In line with the Rollout Plan and with the recent Solutions for Congested Corridors Program (SCCP) funding awarded to MTD by the California Transportation Commission (CTC), Staff is recommending the replacement of eight 40' renewable diesel buses that have exceeded their useful life with eight Gillig 40' Low Floor Plus zero-emission BEBs with ChargePoint Express Plus charging equipment. Combined with the eight Gillig BEBs and ChargePoint Express Plus charging equipment approved for acquisition by the Board of Directors on June 4, 2024, 14 ports are anticipated to be active through MTD's Haley Canopy Zero-Emission Vehicle Infrastructure Improvements Project, and the remaining eight ports will be deployed through Phase 2 of MTD's Terminal 2 Recommissioning Project.

The eight Gillig BEBs, approved by the Board on June 4, are expected to be delivered in Q2 of 2026, while this second procurement of eight more BEBs, if approved, would be delivered in Q4 of 2026.

Of the ChargePoint equipment for 22 DCFC charge ports, 14 ports are anticipated to be active in Q3 of 2025 through MTD's Haley Canopy Zero-Emission Vehicle Infrastructure Improvements

BOARD OF DIRECTORS REPORT

Project, and the remaining eight ports will be deployed through Phase 2 of MTD's Terminal 2 Recommissioning Project.

Cooperative Purchasing & Price Analysis: The State of Washington's cooperative purchasing contract for Heavy Duty Buses through their Department of Enterprise Services (DES) is valid and available to MTD. This is the same contract selected for the aforementioned eight Gillig BEBs and charging equipment currently on order. Cooperative purchasing benefits MTD by streamlining the solicitation process and achieving competitive pricing based on larger quantities to be procured compared to MTD performing a standalone procurement. The State of Washington's cooperative purchasing RFP #2020 06719-01 aligns with MTD's procurement policies and procedures.

The RFP was publicly advertised on April 1, 2021. It was developed by a team of expert rolling stock and charging equipment buyers who also conducted the technical evaluations. The Gillig proposal was deemed responsive and responsible, offering a fair and reasonable price.

The proposal evaluation committee scored Gillig on pricing and non-priced features such as testing compliance, comfort features, work performance history, training, warranties, and charging options. Gillig's total score 853 out-ranked the New Flyer, MCI, and Nova proposals; the mean proposal score was 780.

Gillig's submittal included the signed certifications for Buy America for the buses and the proposed charging equipment indicating more than 70% domestic content of steel, iron, and manufactured parts and final assembly in the United States. In compliance with FTA grant requirements specific to the rolling stock, MTD must additionally conduct the Pre-Award and Post-Delivery Audit provisions. Gillig also met the Federal Motor Vehicle Safety Standards (FMVSS), Transit Vehicle Manufacturer (TVM) compliance with FTA's Disadvantaged Business Enterprises (DBE), Lobbying, and Debarment requirements, allowing federal tax dollars to be used.

In an Independent Cost Estimate (ICE), the State of Washington found that the average base bus price of a 40' BEB among five manufacturers was \$878,567. At MTD, Staff documented an ICE utilizing previous bus purchase orders at a base price of \$883,822. The base bus price of the proposed Gillig is below both agency-level ICE and the average of the bid prices.

Base Bus Price Analysis	Price	Difference
Gillig proposal	\$813,044	
RFP mean price	\$878,567	\$65,523 (8.06% more)
MTD past purchase pricing	\$883,822	\$70,778 (8.69% more)

Please note that the base bus price analysis does not consider the allowable options and the allowable contract price escalations from the bus manufacturers. The key features MTD will opt for include: Americans with Disabilities Act accessibility equipment, Clever Devices' Intelligent Transportation System, Genfare Fast Fare farebox, video surveillance system, protective driver barrier, and exterior custom graphics. Contract price escalations initiated by Gillig throughout the term of its agreement with DES (executed initially on April 1, 2021) included one at 11.78%, a second at 15%, and the latest at 7.14% based upon the Producer Price Index (PPI). Also for consideration is the registration, license fees, delivery, and tax (reduced by 3.9375% to 4.8125% due to the State of California's partial tax exemption for the purchase of zero-emission transit buses). Thus, the price quote to MTD, per bus, to ensure the vehicle is service-ready upon delivery is \$1,440,099.

BOARD OF DIRECTORS REPORT

The accompanying charging system with ChargePoint Express Plus is a critical option in the Gillig contract, providing a discount off the manufacturer's list price for the power blocks and the station management software. These chargers have a modular architecture, which allows scalability and improved serviceability. Through the DES contract pricing with Gillig, MTD also receives a project manager who ensures all components are working properly and commissions the chargers according to MTD's installation timeline.

Still, experience has shown Staff that changes to the bus specifications may occur during the actual bus build. New options are made available just as some options are discontinued; in the same manner, reasonable changes may occur specific to the ChargePoint option. Also considered is the necessary precursor to purchase order issuance with FTA funds, where MTD shall secure professional Pre-Award and Post-Delivery Audit services. Full-time in-plant inspection services shall also be contracted to monitor the final assembly process and validate the buses fulfill the contract specifications. The cost of inspections is estimated based on MTD's historical spending. For these reasons, Staff recommends a contingency to the budget <10%.

Recommended Purchase	
8 Buy America Buses at \$1,440,099 each	\$11,520,792
Buy America Charging Equipment Option	\$1,027,865
Pre-Award & Post-Delivery Buy America Audit Reports and In-Plant Inspection Services	\$27,599
Subtotal	\$12,576,256
Contingency (9.5%)	\$1,194,744
Total	\$13,771,000

Funding: The acquisition of eight 40' BEBs and charger equipment is part of the Capital Budget. The procurement timing is based on the SCCP award. The SCCP is a statewide, competitive program created by the Road Repair and Accountability Act of 2017 (SB-1) that provides funding to achieve a balanced set of transportation, environmental, and community access improvements to reduce congestion throughout the state. MTD's application promoting air pollution and greenhouse gas emission reductions with timely project completion was awarded by CTC at the June 27-28, 2024 meeting.

SCCP funding is based on a project budget of \$13,771,000 with an SCCP funding distribution of \$10,500,000 (FY23-24), making a total allocation of \$10,500,000. Santa Barbara MTD proposed, in addition to the SCCP funding allocation: \$1,000,000 from RSTP-STP Local; \$1,231,000 from the Low Carbon Transit Operations Program (LCTOP); and \$1,040,000 from the California Heavy Duty Voucher Incentive Project (HVIP). As HVIP is not applied for until the point of sale, discretionary funding with FTA will be available to complete any balance.

In accordance with these funding sources, MTD shall not execute on the purchase orders until the Pre-Award Buy America Audit is completed (if necessary), the Program Supplement is provided for the SCCP Award, and the "timely use of funds" commitments are met.