

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: RACHEL EDE, DEPUTY DIRECTOR, TRANSIT DIVISION
TRANSPORTATION AND PUBLIC WORKS
SUBJECT: PURCHASE AGREEMENTS FOR BATTERY ELECTRIC BUSES
WITH GILLIG, LLC AND WITH NEW FLYER OF AMERICA, INC

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works and Finance Departments that the Council, by two resolutions: 1) approve the purchase of six 40-foot battery electric buses and selected components from New Flyer of America, Inc. in an amount not-to-exceed \$9,000,000, using a Cooperative Purchase under the California Department of General Services State Cooperative Purchase Contract #1-19-23-17B; 2) approve the purchase of six 40-foot battery electric buses and selected components from Gillig, LLC in an amount not-to-exceed \$9,000,000, using a Cooperative Purchase under the Washington Department of Enterprise Services State Cooperative Purchase Contract #06719; 3) authorize the Purchasing Agent to issue purchase orders to initiate the process using the City's standard purchase order terms and conditions, with any modifications approved as to form by the City Attorney, to New Flyer of America, Inc. in the amount not to exceed \$9,000,000 and Gillig, LLC, in the amount not to exceed \$9,000,000; and 4) authorize the Director of Transportation and Public Works or designee to negotiate and execute all documents, including any necessary agreement(s), to effect the purchase, subject to the dollar limits set forth in this item and approval as to form by the City Attorney.

EXECUTIVE SUMMARY

City of Santa Rosa (City) Transit Division staff seeks approval of a purchase of a total of twelve 40-foot battery-electric transit buses and selected components, with six buses from New Flyer of America, Inc (New Flyer) and six buses from Gillig, LLC (Gillig) using two separate State Cooperative Purchasing Contracts. The buses will be purchased using competitive and formula grant awards from various Federal, State, and regional funding sources, as well as the Transit Division's Transportation Development Act (TDA) Article VI funds and will replace aged (13–22-year-old) diesel buses.

BACKGROUND

In December of 2018, the California Air Resources Board (CARB) adopted its Innovative Clean Transit (ICT) Rule which requires all public transit agencies to gradually transition to a 100 percent zero-emission bus (ZEB) fleet by 2040. For small transit agencies like the City of Santa Rosa, the rule required a ZEB rollout plan by June 2023, and for purchases beginning in 2026 requiring 25% of all bus purchases to be ZEBs.

In December 2019, Section 7613 the National Defense Authorization Act (NDAA) for FY 2020 added subsection 49 U.S.C. § 5323(u) to federal public transportation law that limits the use of Federal Transit Administration (FTA) funds, and in some circumstances local funds, to procure rolling stock from certain transit vehicle manufacturers, effective December 2021 (after a 2-year phase-in period).

In June 2023, the City Council approved the Transit Division's ZEB Rollout Plan which outlined (in Section D) the City's future transit bus purchase plan. To achieve the expected replacement delivery times as outlined in that plan for our most recent upcoming purchases, the Transit Division needs to place orders with the manufacturers to secure a place in the 18 to 30 month bus build calendars.

In June 2023, Nova Bus announced it will end bus production in the United States by 2025.

In August 2023, Proterra, Inc. announced a Chapter 11 bankruptcy filing, with Phoenix Motor becoming the new official owner of the "Proterra Transit" bus build portion from the reorganization.

In August 2023, Transit Division staff performed a site visit of the Gillig bus production facility in Livermore, California.

In December 2023, Transit Division staff performed a site visit of the New Flyer bus production facility in Anniston, Alabama.

In January 2024, the Rev Group announced they will close their Eldorado National California (ENC) transit bus business by the end of fiscal year 2024.

PRIOR CITY COUNCIL REVIEW

On November 17, 2020, the City Council, by Resolution No. 2020-201 approved the purchase of four battery electric buses from Proterra, Inc.

On August 23, 2022, the City Council, by Resolution No. 2022-183 approved the purchase of five additional battery electric buses from Proterra, Inc.

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On June 6, 2023, the City Council, by Resolution No. 2020-096 approved the CityBus ZEB Rollout Plan to meet requirements of the California Air Resources Board's Innovative Clean Transit rule.

ANALYSIS

Vehicle Selection

The Transit Division staff has reviewed the available, capable, and eligible vendors that can build and support the launch of a battery electric 40-foot heavy-duty transit bus that has a battery capacity providing the ability to perform a full day of revenue service in the CityBus schedule:

- BYD is facing exclusion due to the National Defense Authorization Act of FY20 and is ineligible for federally-funded bus procurements other than any of those made through previously existing contracts that were in effect prior to the 2-year phase-in period.
- ENC will no longer be producing transit buses after 2024.
- Nova Bus will no longer be producing buses in the United States, making FTA Buy America requirements likely unmet.
- Phoenix Motorcars has acquired the bus build portion of the Proterra Chapter 11 reorganization. We are awaiting further information on Phoenix's expected bus build capability due to the renegotiating of their supplier contracts after the acquisition. The City has previously contracted with Proterra/Phoenix for purchase of battery-electric buses including the four buses in the 2022 electric bus fleet and seeks to diversify its electric bus fleet by purchasing electric buses from another vendor.
- Gillig and New Flyer are the remaining vendors with buses that meet our requirements. Transit Division staff visited both vendors' bus build facilities and reviewed their bus manufacturing process and specification sheets. Staff also contacted electric bus customers for both vendors. Since both manufacturers' vehicles are already part of our existing diesel fleet, staff propose ordering buses from both manufacturers to use as a real-world trial to inform future bus purchase vendor selections (see Attachment 1 for specification comparisons). Additionally, many of the components of the Gillig and New Flyer battery electric buses are the same as those used in our current buses. This provides cost savings related to stocking of spare parts, and maintenance staff will have familiarity with the vehicle components.

Funding

Approximately \$15 million (85%) of the funding for these purchases was awarded specifically for the replacement of our aging diesel fleet with like-kind (40-foot) battery electric buses. Awards range from FY19 to FY24.

Procurement

The California and Washington state contracts were competitively bid and allow other government entities to make purchases without the full administrative burden of issuing

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a bid package. Use of these agreements reduces the Transit Division's costs and complies with federal statutes and regulations applicable to all third-party contracts. Cooperative purchases are allowed pursuant to Section 3-08.160 of the City Code where the advantage of the cooperative purchase is documented and retained.

Infrastructure

The Transit Division has in place Phase 1 of our depot charging infrastructure consisting of five 150kW ABB dual dispenser chargers at the Municipal Services Center (MSC) that can support up to ten buses plugged in at one time.

Staff are in the process of proceeding with a fully-funded Phase 2 which will add an additional 1.5mW of chargers. To support this, we will be applying to PG&E to bring additional power to the site through PG&E's EV Fleet program, which will help pay for the infrastructure costs related to bringing power to the site up to the meter. The Transit Division will be responsible for any infrastructure beyond the PG&E meter, including wiring, trenching, switchgear, and chargers. Funding for these costs will be through several competitive grants that have already been awarded to the City of Santa Rosa.

Operations

Due to our ability to charge the buses only at the depot overnight, the buses will be required to perform revenue service on all routes for the entire revenue day. Both Gillig and New Flyer have a battery configuration that will accommodate this requirement.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund. Purchases will be made from JL Key 45160.

The cost of purchasing these buses is made available through multiple formula and awarded discretionary grants to the Transit Division including:

- FTA 5307 Formula - \$1,316,002
- FTA 5339 Formula - \$1,767,706
- FTA 5339 Competitive - \$6,888,300
- State / Regional (Federal matching funds):
 - Transit and Intercity Rail Capital Program (TIRCP) - \$2,524,000
 - Low Carbon Transit Operations Program (LCTOP) - \$1,778,964
 - Affordable Housing and Sustainable Communities (AHSC) - \$800,000
 - Local Partnership Program (LPP) - \$551,000
 - Hybrid and Zero Emission Truck and Bus Incentive Project (HVIP) - \$1,656,000,
 - Transportation Fund for Clean Air (TFCA) - \$707,414
 - Transportation Development Act Article IV – \$10,000-\$1,700,000, depending on outcome of HVIP application

The Transit Division intends to take advantage of the HVIP program and has included it in the funding package, but because these funds are only issued as a voucher once a

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Purchase Order is made to the vendor (which submits the request for the funding), we are planning to use TDA funds to cover the potential of being unable to secure this source of funding. As of April 8, 2024, with \$72M available in the HVIP program, we anticipate that HVIP will be a viable source for this bus purchase.

ENVIRONMENTAL IMPACT

The proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Bus Specification Comparison
- Resolution 1 - Authorizing Purchase from New Flyer of America, Inc.
- Resolution 2 - Authorizing Purchase from Gillig, LLC

PRESENTER

Shawn Sosa, Administrative Analyst