

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: RACHEL EDE, DEPUTY DIRECTOR-TRANSIT  
TRANSPORTATION AND PUBLIC WORKS DEPARTMENT  
SUBJECT: APPROVAL TO ENTER INTO AGREEMENT WITH GOLDEN  
GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT  
FOR LEASE OF SIX GILLIG HYBRID TRANSIT BUSES

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, authorize the Director of Transportation and Public Works to negotiate and execute an agreement with the Golden Gate Bridge, Highway and Transportation District to lease six Gillig hybrid transit buses to temporarily augment the Santa Rosa CityBus fixed-route fleet due to an emergent need for additional fleet vehicles, for an initial term of one year with the option to extend, in an amount not to exceed \$125,000.

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EXECUTIVE SUMMARY

This action will enable the Transportation and Public Works Department to lease vehicles from the Golden Gate Bridge, Highway and Transportation District (GGBHTD) to temporarily augment the Santa Rosa CityBus fleet to ensure all scheduled service can be covered while CityBus awaits delivery of 12 new buses within the coming year. This temporary lease of GGBHTD vehicles will enable the Transit Division to immediately retire three diesel buses over 20 years of age that have been kept in service due to critical fleet availability challenges.

BACKGROUND

The Transit Division and Fleet Maintenance Division are experiencing acute challenges with fleet availability to meet transit service delivery requirements. At present the ability of CityBus to provide all scheduled service is threatened by critically low spare vehicle availability and ongoing maintenance challenges related to aging vehicles; supply chain issues including long lead times for replacement parts; and specific challenges with the electric bus fleet in the aftermath of the Proterra bankruptcy. To ensure that CityBus continues to meet the vehicle requirement needed to deliver all scheduled service,

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several diesel buses have been kept in service well beyond their useful life despite ongoing maintenance challenges.

The Transit Division has 12 new electric buses on order, with six buses expected in December 2025, and another six expected in late spring 2026. GGBHTD currently has excess vehicles in its transit fleet due to operating reduced service in the aftermath of the pandemic's significant impact on transit ridership and revenues. Recognizing the critical fleet needs affecting many partner transit operators, GGBHTD requested and received approval from the Federal Transit Administration (FTA) to enter into short-term agreements to lease vehicles to other transit operators.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

In response to the emergent need for additional buses to ensure that all scheduled transit service can be delivered to the public, the Transit Division canvassed both private and public sector options for temporarily augmenting its transit fleet with leased vehicles. The GGBHTD partnership was found to be the most cost-effective lease option, with vehicles that could be incorporated into the CityBus fleet with minor alternations and meet all state and federal operational requirements including those related to the Americans with Disabilities Act. The City of Santa Rosa already operates and maintains Gillig transit buses, reducing the need for additional training and operational changes. GGBHTD is requesting a lease payment of \$1,562.48 per month per vehicle, significantly below the \$6,000-8,000 per month quoted by private sector vendors.

In order to operate these vehicles in the CityBus fleet, Transit Division staff will install its own fareboxes on the vehicles, work with its current vendor to install CAD/AVL (real-time information) systems on the buses, and coordinate with the region's Clipper Card vendor to reprogram the vehicles' Clipper equipment for the CityBus system. The Transit Division will apply decals to the buses consistent with current branding to identify them as CityBus vehicles. Per the lease agreement, the Transit Division will also purchase new tires for the vehicles.

While the Transit Division will incur additional costs to outfit the vehicles for operation in the CityBus fleet, the lease pricing offered by GGBHTD is highly favorable, and the Transit Division expects that the costs associated with this lease arrangement will be largely offset by reductions in fleet maintenance costs. Lease of GGBHTD vehicles will allow the Transit Division to immediately retire the transit fleet's oldest vehicles and enable the Fleet Services Division to conduct maintenance activities in a more efficient manner given availability of spare vehicles.

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The lease agreement with GGBHTD includes several stipulations related to vehicle maintenance and operations. By executing the agreement, the City is committing to implement the required maintenance plan for the buses, submit regular reports to GGBHTD on maintenance activities, and provide opportunities for inspection of the buses by GGBHTD staff. The vehicles will be covered by CityBus' liability and physical damage insurance policies during the lease term and the City will be responsible for any repairs required during lease of the buses. The City must return the vehicles to GGBHTD at the end of the lease term in the same condition as they were received by the City, aside from regular wear and tear.

Staff notes that this is a nonstandard agreement which contains certain unfavorable terms and conditions including an indemnification requirement, extensive maintenance requirements and deadlines, limited warranties, and vague terms which may lead to legal risk and/or additional costs to the City.

The Transit Division anticipates that the one-year initial lease term will be sufficient to meet operational needs given the expected arrival of 12 new buses in the coming year but has the opportunity to work with GGBHTD to extend the lease agreement if needed. Once a sufficient number of new buses are in operation the City will return the leased buses to GGBHTD per the agreement.

#### FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund. Funds for lease of these vehicles will be drawn from the Transit Division's annual allocation of Transportation Development Act Article IV funds. The lease cost will be \$1,562.48 per month per vehicle, or approximately \$112,500 to lease all six buses for a full year.

#### ENVIRONMENTAL IMPACT

The Council finds Pursuant to CEQA Guidelines Section 15378, the proposed action is not a "project" subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

#### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

#### NOTIFICATION

In November 2024 the Golden Gate Bridge, Highway and Transportation District

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received approval from the Federal Transit Administration to enter into lease agreements with other public transit operators for temporary use of GGBHTD vehicles to provide public transit services.

In April 2025 the Transportation and Public Works Department notified the Federal Transit Administration (FTA) of its desire to lease buses from GGBHTD and received concurrence from FTA staff.

ATTACHMENTS

- Resolution/Exhibit A

PRESENTER

Rachel Ede, Deputy Director-Transit