



## MEMORANDUM

**TO:** Fox Cities Transit Commission

**FROM:** Ron McDonald, General Manager

**DATE:** November 01, 2019

**RE:** Authorization to Issue a Purchase Order for Five (5) 40' New Flyer Buses

### **BACKGROUND**

The State of Wisconsin 2017 Budget Act 59 established a transit capital assistance grant program, under which the Department of Administration created a competitive statewide grant program ("State of Wisconsin Volkswagen Mitigation Program Grant") to award settlement funds to eligible applicants for the replacement of public transit vehicles.

The City of Appleton-Valley Transit was awarded \$7,688,850 in 2018 for the purchase of 15 clean diesel transit buses through the State of Wisconsin Volkswagen Mitigation Program Grant.

### **ANALYSIS**

Beginning in 2017, Valley Transit implemented a plan to replace its outdated fleet. The intent is to spread bus purchases over a period of years allowing for a manageable fleet replacement schedule. The plan recommends replacement of five (5) 40' clean diesel buses in 2020. In addition, five (5) additional clean diesel buses should be purchased for delivery in both 2021 and 2022.

### **FISCAL IMPACT**

Valley Transit recently purchased buses through a Piggy-Back procurement awarded by Connect Transit, Normal, IL as allowed by the Valley Transit/City of Appleton Procurement Manual. The Piggy-Back bus procurement was reviewed during the Federal Transit Administration Triennial Review on September 12 & 13, 2019. No procurement deficiencies were noted by the Federal Transit Administration.

New Flyer Industries of America quoted \$474,501.91 per bus. Valley Transit staff prepared an Independent Cost Estimate (ICE) and determined the Connect Transit Piggy-Back procurement is competitive and advantageous. Consequently, Valley Transit desires to purchase five (5) 40' Clean Diesel buses from New Flyer Industries of America through the Connect Transit Piggy-Back procurement.

Valley Transit funding partners contribute to a restricted cash depreciation account for the local share portion of bus purchases. Through the State of Wisconsin Volkswagen Mitigation Grant, it is

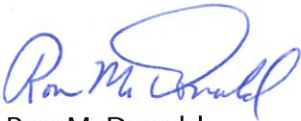
anticipated the grantee (City of Appleton) will incur a reduction in State Shared Revenue in an amount equal to 20% paid out in equal annual installments over a 10-year period to offset the local share of this bus purchase.

Per the Fox Cities Transit Commission Resolution 18-01, the grantee (City of Appleton) shall be made whole from the restricted cash depreciation account. It is anticipated equal annual installments incurred over a 10-year period will be reimbursed. Total reimbursement payments shall not exceed the local share incurred by the grantee.

**RECOMMENDATION**

Valley Transit shall be authorized to issue a purchase order to New Flyer Industries of America for five (5) 40' Xcelsior Clean Diesel buses at \$474,501.91 each, \$2,372,509.55 total cost.

Respectfully submitted,



Ron McDonald