



MEMORANDUM

TO: Fox Cities Transit Commission

FROM: Ron McDonald, General Manager

DATE: April 21, 2021

RE: Authorization to Issue a Purchase Order for 2-35 Foot and 3-40 Foot 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Beginning in 2017, Valley Transit implemented a plan to replace its outdated fleet.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 and five (5) 35' clean diesel buses in 2021. The five (5) remaining clean diesel buses are to be purchased for delivery in 2022.

FISCAL IMPACT

Valley Transit purchased buses beginning in 2017 through a Piggy-Back procurement awarded by Connect Transit, Normal, IL. Because Connect Transit's procurement is now expired and unavailable, Valley Transit is ordering the remaining buses through the Wisconsin Department of Transportation (WisDOT) Heavy-Duty Bus Procurement as allowed by the Valley Transit/City of Appleton Procurement Manual.

New Flyer Industries of America is the current manufacturer of Valley Transit's fleet and is available through the WisDOT procurement contract. To retain fleet uniformity, Valley Transit desires to purchase two 35-foot and three 40-foot Clean Diesel buses from New Flyer Industries of America through the WisDOT Heavy Duty Bus Procurement for delivery in 2022.

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

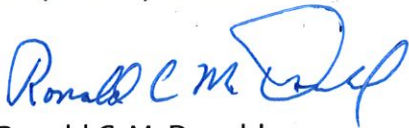
anticipated the grantee (City of Appleton) will incur a reduction in State Shared Revenue in an amount equal to 20% paid out in equal annual installments over a 10-year period to offset the local share of this bus purchase.

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

Authorize Valley Transit to issue a purchase order to New Flyer Industries of America for two 35' and three 40' Xcelsior Clean Diesel buses for a combined price of \$2,471,395. With an additional 5% contingency equal to \$123,570, the total project cost should not exceed \$2,594,965.

Respectfully submitted,



Ronald C. McDonald



NEW FLYER OF AMERICA

April 21, 2021

Ron McDonald
General Manager
Valley Transit
801 S. Whitman Ave.
Appleton, WI 54914

Subject: Quotation for Five (5) Diesel 35' and/or 40' Heavy Duty Low-Floor Transit Buses.

Dear Ron,

New Flyer is pleased to submit a price quotation for the production of five (5) Diesel 35' and/or 40' heavy duty low-floor transit buses based on New Flyer's Agreement with the State of Wisconsin.

Proposed Bus Price for XD35: \$491,075 / Bus

Proposed Bus Price for XD40: \$496,415 / Bus

The above-mentioned bus price represents the technical configuration that matches SR-2553. New Flyer has made every effort to keep the pricing similar to SR-2553.

Delivery Proposal: New Flyer is proposing deliveries as early as Q1 of 2022, based on the purchase order to be provided to New Flyer by June 2021.

This is a very important project to us as it allows us the opportunity to deliver to you, some of the most advanced vehicles available in North America.

Should you have any questions, please do not hesitate to contact Cameron Huber at Cameron_huber@newflyer.com or (204) 583-2333.

Sincerely,

Cameron Huber

Cameron Huber, P.Eng.
Business Segment Director
New Flyer of America Inc.

CC:

Mark Fisher – Director, National Sales
Jaspreet Singh – Technical Sales Manager

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