

EXECUTIVE SUMMARY



To: Bob Vitas, City Manager
From: Norman Whitaker, Director / KWDoT
Date: May 15, 2014
Subject: Revise Procurement Price for the New Bus Fleet

Action Statement:

A resolution to approve the revised procurement price amount of \$2,001,983.00 to purchase the New Bus Fleet for Key West Transit.

The purchase authority granted herein by the City Commission will be contingent upon Florida Department of Transportation (FDOT) and Federal Transit Administration (FTA) grant funding awarded and accepted by the City Commission.

Project History:

The City Commissioners approved the procurement amount of \$1,990,393.00 on March 4, 2014, Resolution 14-060. The price quote from Gillig was only good through March 31, 2014.

Key West Transit has been communicating with Florida Department of Transportation (FDOT) on how crucial it is to receive the Joint Participation Agreement (JPA) before the end of March 2014 to take to our board for approval and final execution from FDOT, in order to remain at the quoted price received from Gillig. Our representative from FDOT is aware of the situation and did everything he could to assist us with trying to get the agreement before the end of March.

Now that we have missed the deadline, the price of the new bus fleet has increased to a total of \$11,590.00 or \$2,001,983.00.

- Three (3) Clean Diesel (Low Sulfur) Gillig 30' Low Floor BRT Buses
 - Base Price, Options & Delivery \$424,981 Bus \$1,274,943 Total
 - Training and Spares \$ 63,747 Total
 - One (1) Hybrid Clean Diesel (Low Sulfur) Electric Gillig 30' Low Floor BRT Bus
 - Base Price, Options & Delivery \$641,135 Bus \$ 641,135 Total
 - Training and Spares \$ 22,158 Total
 - Administrative Fee Assessed by FPTA \$ 500 Bus \$ 2,000 Total
- \$2,001,983 Total**

Option #1: Advantage / Disadvantages

Option #1 would approve the revised amount and move forward with purchasing the three (3) Clean Diesel (Low Sulfur) Gillig 30' Low Floor BRT Buses and one (1) Hybrid Clean Diesel (Low Sulfur) Electric Gillig 30' Low Floor BRT Bus.

The advantages for approving this agreement are as follows:

- KWT will be able to continue providing an efficient public transit system
- New and improved models added to our fleet will alleviate the high maintenance costs of the current bus fleet which has outlived its useful life.
- New buses will provide for an improved visual effect in the community
- New warranted vehicles with minimal initial support costs
- KWT will meet Strategic Goals - Environment # 4 & 5, Infrastructure # 1, 2, & 4.

- KWT will meet or exceed the goal of reducing emissions by 15% as noted in the Climate Action Plan.
- Purchases are completely funded by FDOT with no City match required, so no fiscal impact to the City.

There are no disadvantages to approving this agreement.

Option #2: Advantages / Disadvantages

Option #2 would not approve staff recommendations to purchase buses.

There are no advantages that can be identified.

There are several disadvantages to this option and they are as follows:

- Extremely high cost of maintenance on current vehicles
- Lost revenue opportunity
- KWT will not fully meet the Strategic Goals and the Climate Action Plan
- Current bus fleet maintenance is at a critical point with no foreseeable relief
- City may have to cancel routes due to inadequate bus fleet
- Citizens and tourists may not be able to access public transportation
- Loss of opportunity for new vehicles that will support current services being offered

Fiscal Impact:

Option #1, recommended by staff will result in no capital financial outlay by City of Key West.

The new vehicles will be delivered with extended coverage warranties for issues that might arise during the warranty period as the vehicles age. This will also alleviate the high maintenance costs of the current bus fleet which has outlived its useful life.

Recommendation:

Key West Transit staff recommends Option #1, to approve the revised procurement amount and move forward with purchasing the new bus fleet.