Date: August 14, 2019

To: Board of Directors

From: Doug Kelsey

Subject: RESOLUTION NO. 19-08-59 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH GILLIG, LLC FOR THE PURCHASE OF FIVE (5) FORTY-FOOT, ZERO EMISSION, ELECTRIC BUSES FOR FIXED ROUTE SERVICE

1. **Purpose of Item**
   This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager, or his designee, to execute a contract with Gillig, LLC (Gillig) for the acquisition of five (5) forty-foot, zero emission, electric buses for fixed route service, facilitated by the award of a Federal Transit Administration (FTA) grant.

2. **Type of Agenda Item**
   - [x] Initial Contract
   - [ ] Contract Modification
   - [ ] Other

3. **Reason for Board Action**
   Board authorization is required for all goods or services contracts obligating TriMet to pay in excess of $1,000,000.

4. **Type of Action**
   - [x] Resolution
   - [ ] Ordinance 1st Reading
   - [ ] Ordinance 2nd Reading
   - [ ] Other

5. **Background**
   In November of 2018, the FTA published a Notice of Funding Opportunity (NOFO) for the Low or No Emission Grant Program. Funds from this program provide financial assistance to states and eligible public agencies for the purchase or lease of low or no emission vehicles that use advanced technologies, or related equipment or facilities, to be used for transit revenue operations. The Grant Program requires a local funding match.

   TriMet submitted a grant application to the FTA requesting $2,692,950, and was awarded a grant in the amount of $2,290,000 (85% of TriMet’s request). As its local match, TriMet budgeted $3,797,276, in order to ensure that all elements of the project
-- battery electric buses, training, warranties, inspections, charging equipment and installation, project management, consultants -- are fulfilled. As a result, TriMet's total project budget is $6,087,276, of which almost 38% is provided by the grant.

In the grant application, TriMet proposed partnering with Gillig for the purchase of five (5) long-range platform, battery electric buses. Gillig was founded in 1890 as a carriage and wagon shop in San Francisco, California, and is the second largest transit bus and motor coach manufacturer and parts distributor in North America. Gillig has extensive experience with hybrid electric propulsion buses. Gillig's zero emission battery electric bus is based on their stylized Bus Rapid Transit (BRT) platform and will incorporate the Cummins electrified powertrain, which provides the advantage of full local service support. TriMet's past and current experience with Gillig, along with references from other agencies, are both favorable.

This Resolution authorizes a contract with Gillig in a not-to-exceed amount of $5,205,005, which will be partially offset by the FTA grant award of $2,290,000.

Buses delivered to TriMet under the proposed contract must be low floor design, service ready, battery electric coaches with 444 kWh capacity battery packs, air conditioning, automatic stop announcements and displays, interior and exterior CCTV cameras, LED lighting, plus the latest electronics, safety and diagnostic technology. Bus Maintenance staff have reviewed and concur with all design details for this bus order.

6. **Procurement Process**
When submitting its grant application, TriMet chose to team with Gillig (bus supplier) and CTE (program management consultant), and both were named in the application. The requested contract with Gillig is classified as a procurement by noncompetitive methods, because the FTA NOFO allowed for the applications to include partnerships between eligible public agencies and vehicle manufacturers, equipment vendors, or project consultants.

The term of the requested contract with Gillig will be for 31 months. The contract will be structured as a bus procurement pursuant to which TriMet pays the contractor upon the submission of invoices, TriMet's completion and approval of Pre-Award and Post-Delivery Buy America Audits, and the delivery, commissioning and acceptance of the service ready buses. The project budget components and Gillig's Best and Final offer (BAFO) pricing is set forth below:

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Gillig BAFO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Gillig Battery Buses</td>
<td>$4,693,980</td>
</tr>
<tr>
<td>Training &amp; Spare Parts</td>
<td>$55,925</td>
</tr>
<tr>
<td>Inspections &amp; Extended Warranties</td>
<td>$455,100</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$5,205,005</strong></td>
</tr>
</tbody>
</table>

For each bus, Gillig's BAFO pricing includes training, special tools, test equipment, and optional extended warranties associated with the delivery, but does not include optional spare components. Execution of the contract is contingent upon a successful pre-award audit, as required to ensure compliance with FTA Buy America provisions.
7. **Diversity**
Gillig manufactures and assembles all of its zero emission battery electric buses at one location in Livermore, California, and does not subcontract manufacturing of its buses. Gillig’s workforce diversity data reflects 986 total employees, 67.5% of whom are minorities and 9.4% of whom are female.

8. **Financial/Budget Impact**
Zero emission, battery electric buses are being provided in part by the FTA via a grant award from the Low or No Emission Grant Program. TriMet’s local share of the overall project budget, $3,797,276 (about 62%) is included in the Capital Improvement Program approved budget for FY2020-22.

9. **Impact if Not Approved**
Gillig was named in the grant application. If this Resolution is not approved, TriMet would not be in compliance with the grant application conditions, and would not be eligible for the grant award under the Low or No Emission Grant Program.
RESOLUTION NO. 19-08-59

RESOLUTION NO. 19-08-59 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH GILLIG, LLC FOR THE PURCHASE OF FIVE (5) FORTY-FOOT, ZERO EMISSION, ELECTRIC BUSES FOR FIXED ROUTE SERVICE

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Gillig, LLC for the acquisition of five (5) forty-foot, zero emission, electric buses (Contract) for fixed route service, facilitated by the award of a Federal Transit Administration (FTA) grant of $2,290,000; and

WHEREAS, the total amount of TriMet’s required local match for the FTA grant funding for the Contract exceeds $1,000,000; and

WHEREAS, by Resolution dated October 25, 2017, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring it to authorize goods and services contracts obligating TriMet to pay in excess of $1,000,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract shall conform with applicable law.

2. That the General Manager or his designee is authorized to execute the Contract with Gillig, LLC for five (5), zero emission, battery electric buses, in the amount of $5,205,005, over the 31 month period of the Contract.

Dated: August 14, 2019

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Presiding Officer

Attest:

______________________________
Recording Secretary

Approved as to Legal Sufficiency:

______________________________
Legal Department