

Date: April 27, 2022

To: Board of Directors

From: Sam Desue, Jr.

Subject: RESOLUTION NO. 22-04-23 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH GILLIG, LLC (GILLIG) FOR THE PURCHASE OF TWENTY-FOUR (24) FORTY-FOOT, ZERO EMISSION, BATTERY ELECTRIC BUSES FOR FIXED ROUTE SERVICE

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager to execute a contract with Gillig, LLC (Gillig) for the acquisition of twenty-four (24) forty-foot, zero emission, battery electric buses for fixed route service.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Type of Contract Procurement

- Low Bid / Invitation to Bid (ITB)
- Request for Proposals (RFP) (inc. CM/GC)
- Request for Qualifications (RFQ) (Personal Services)
- Other: Cooperative Purchasing Agreement through the State of Washington

4. Reason for Board Action

Board authorization is required for all goods and services contracts obligating TriMet to pay in excess of \$1,000,000.

5. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

6. Background

TriMet is transitioning its fixed-route fleet from diesel buses, and plans to operate a full fleet of zero emission, battery-electric buses (ZEBs) by 2040. To advance this goal, TriMet previously procured five (5) ZEBs from New Flyer, five (5) ZEBs from Gillig, and four (4) refurbishments/conversions from diesel to ZEB from Complete Coach Works. Another two ZEBs were leased for one year from New Flyer. All sixteen (16) ZEBs have been utilized to

evaluate which manufacturer can provide ZEBs that are best suited to TriMet's needs, considering the road system, local climate and the topography within TriMet's service area. After this evaluation, TriMet concluded that Gillig offered the best ZEB platform for TriMet.

Gillig ZEBs to be delivered under the proposed contract will be low floor design, service ready, battery electric coaches with 588 kWh capacity battery packs. They will be equipped with charge rails for overhead drop down pantograph charging, air conditioning, automatic stop announcements and displays, interior and exterior CCTV cameras, LED lighting, plus the latest electronics, safety and diagnostics technology. Bus Maintenance staff have reviewed and concur with all design details for this ZEB order.

7. Description of Procurement Process

Washington State previously issued a formal competitive Request for Proposals for zero emission, battery-electric transit buses, and Gillig was awarded a contract as a result of that solicitation. The Gillig contract is a State Cooperative Purchasing Contract under Section 3019 of the FAST Act, and complies with FTA Guidelines. Because TriMet is a member of the Oregon Cooperative Procurement Program (OCPP), TriMet can take advantage of the Washington State Department of Enterprise Services (DES) Price Agreement to procure Gillig ZEBs under the Washington State DES contract.

The amount of TriMet's proposed contract with Gillig for the 24 ZEBs is \$26,674,032. This amount includes \$2,400,000 for extended battery warranties, \$192,000 for workforce (Operator and Maintenance staff) training, and \$48,000 for special tools and equipment. TriMet has determined that Gillig's pricing for the 24 ZEBs is fair and reasonable, and that it is unlikely a better price would be obtained through an open market solicitation instead of the Washington State DES contract.

Gillig was founded in 1890 as a carriage and wagon shop in San Francisco, California. The company is the second largest transit bus and motor coach manufacturer and parts distributor in North America, and has extensive experience with hybrid electric propulsion buses. The design of Gillig's ZEB is based on its stylized Bus Rapid Transit (BRT) platform and incorporates the Cummins electrified powertrain, which provides an advantage to TriMet of local Cummins service support. TriMet's past and current experience with Gillig is very favorable.

8. Diversity

Gillig manufactures and assembles all of its ZEBs at one location in Livermore, California, and does not subcontract the manufacture of its buses. Gillig's workforce consists of 986 employees, 67.5% of whom are minorities and 9.4% of whom are female.

9. Financial/Budget Impact

The proposed contract for the 24 ZEBs is fully secured by federal grants and STIF funding. TriMet's current FY2022-23 Capital budget does not include funding for this capital acquisition, but Gillig will not invoice TriMet until FY2024 when the buses are delivered. The annual contract amounts will be budgeted in TriMet's FY2023-2024 Capital budget as the buses are delivered on this purchase, and in future Capital budgets if delivery exceeds one year. Execution of the contract is contingent upon a successful pre-award audit required to ensure compliance with FTA Buy America provisions.

10. Impact if Not Approved

The procurement of Gillig ZEBs is an essential component of TriMet's commitment to operate an entirely ZEB fleet by 2040. Replacement of existing diesel buses with ZEBs must start now, as TriMet's diesel buses begin to end their useful life expectancy. Adoption of this Resolution is necessary to allow TriMet to take advantage of the State of Washington's procurement and the pricing resulting from it, and to facilitate the retirement of TriMet's existing fleet of 694 diesel buses.

RESOLUTION NO. 22-04-23

**RESOLUTION NO. 22-04-23 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT WITH GILLIG, LLC (GILLIG) FOR THE PURCHASE OF
TWENTY-FOUR (24) FORTY-FOOT, ZERO EMISSION, BATTERY ELECTRIC
BUSES (ZEBs) FOR FIXED ROUTE SERVICE**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Gillig, LLC (Gillig) for the acquisition of twenty-four (24) forty-foot, zero emission, battery electric buses (Contract) for fixed route service; 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; and

WHEREAS, the total amount of the Contract exceeds \$1,000,000; and

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 in an amount not-to-exceed \$26,674,032.

Dated: April 27, 2022

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman

Legal Department