

ITEM #: 32
 DATE: 03-24-26
 DEPT: Transit

COUNCIL ACTION FORM

SUBJECT: PURCHASE OF SIX 40' HEAVY-DUTY DIESEL BUSES

BACKGROUND:

CyRide has been awarded grant funding through the Iowa Department of Transportation's Carbon Reduction Program (CRP) to replace six 40' heavy-duty diesel buses that are 23 years old and operating well beyond their federally defined useful life. Funding for these vehicles was approved in the FY 2025/2026 Capital Improvements Plan (CIP).

Due to rapid increases in bus prices, previously programmed Surface Transportation Block Grant (STBG) funding was revised to support diesel bus purchases instead of upgrading two diesel buses to battery electric. The Ames Area Metropolitan Planning Organization (AAMPO) was notified and approved this modification. The 2026 STBG grant is currently pending award through the Federal Transit Administration (FTA). However, CyRide has pre-grant authority to proceed with award of the bus manufacturer contract prior to final grant obligation. CyRide anticipates the 2026 STBG grant will be awarded this summer, before the buses are scheduled for delivery.

The project budget based on available grant funding is shown below and was included in the CIP:

Funding Source	Federal	Local	Total
Bus & Bus Facilities (5339)	\$2,545,228	\$499,825	\$3,045,053
Carbon Reduction Program (CRP)	\$406,236	\$101,559	\$507,795
Surface Transportation Block Grant (STBG 2025)	\$269,844	\$67,461	\$337,305
Surface Transportation Block Grant (STBG 2026)	\$377,050	\$94,263	\$471,313
Total Project Budget	\$3,598,358	\$763,108	\$4,361,466

After reviewing procurement options, CyRide determined that the most cost-effective method for purchasing new buses is through a cooperative purchasing schedule. Statewide purchasing schedules allow CyRide to reduce administrative time and leverage the buying power of multiple agencies, which would not be available if CyRide pursued an independent procurement process. Through the State of Iowa, the Washington State cooperative purchasing schedule was identified as the most favorable option for CyRide.

CyRide's current fleet of 40' heavy-duty diesel Gillig Low Floor buses has consistently proven to be cost-effective and reliable. Maintaining a standardized fleet with a single manufacturer results in operational efficiencies, including reduced spare parts inventory, lower training costs, and faster repair times due to greater familiarity with the equipment. As a result, CyRide has selected Gillig as the preferred manufacturer for this purchase with the best value.

Pricing was requested from Gillig, resulting in a cost per bus of \$726,911 for a total purchase price of \$4,361,466. Gillig anticipates delivery of the vehicles approximately 12 months after a purchase order is issued. At its meeting on March 19, 2026, the Transit Board of Trustees approved the award of contract to Gillig LLC of Livermore, California, for an amount of \$4,361,466. Final award of contract will be subject to approval by the Iowa Department of Transportation Office of Public Transit.

ALTERNATIVES:

1. Approve award of contract for six 40' heavy-duty diesel buses to Gillig LLC of Livermore, California, in the amount of \$4,361,466, contingent upon award of the 2026 STBG grant with the Federal Transit Administration.
2. Do not approve the contract award for the purchase of six new 40' heavy-duty diesel buses.

CITY MANAGER'S RECOMMENDED ACTION:

Award of this contract will allow CyRide to replace obsolete buses with new vehicles, improve operating efficiency, and support progress toward federal Transit Asset Management (TAM) plan goals, while reducing overall fleet emissions through the use of newer, cleaner-burning engines. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.