



CITY OF DURHAM | NORTH CAROLINA

Date: May 17, 2011

To: Thomas J. Bonfield, City Manager
Through: Theodore L. Voorhees, Deputy City Manager
Mark D. Ahrendsen, Transportation Director
Harmon Crutchfield, Assistant Transportation Director

From: Pierre Osei-Owusu, Senior Transportation Planner

Subject: DATA Bus Repower Grant (Federal Transit Administration Earmark)

Executive Summary

The City has been approved to receive a Federal Transit Administration 5309 federal earmark grant in the amount of \$740,769. The City is expected to contribute a 20% match (\$185,191) for this grant, bringing the total grant fund to \$925,960. The City's matching funds have been identified in the current (FY 2011) budget. This grant is for routine capital purchases and is intended to be used to repower sixteen (16) of DATA's 2003 Gillig buses. The amount of funding has been "flexed" by the Federal Highway Administration (FHWA) to the Federal Transit Administration (FTA) and is now awaiting an application by the City for the receipt of the funds. The Purchasing Division of the Finance Department is handling the bid for the repowering process.

Recommendation

It is recommended that City Council: (1) adopt the Grant Project Ordinance for the funds needed to repower these 16 DATA buses and (2) authorize the City Manager to receive the Federal Transit Administration 5309 earmark allocation to the City in the amount of \$740,769.

Background

The City has been approved to receive a Federal Transit Administration 5309 federal earmark grant in the amount of \$740,769. The City is expected to contribute a 20% match (\$185,191) for this grant bringing the total grant fund to \$925,960. This grant is for routine capital purchase and is intended to be used for repowering sixteen of DATA's 2003 40' Gillig buses with Cummins ISC engines. This engine replacement project has become necessary because of numerous turbo problems that have been associated with the Detroit Diesel engines that came with the 2003 Gillig buses. Twelve of DATA's 2003 Gillig buses were repowered last year.

Issues/Analysis

The City has been having serious engine problems with its 2003 40' Gillig bus engines. These engines were manufactured by Detroit Diesel. Last year, the City repowered 12 of these buses by replacing the engines with Cummins ISC engines. The FTA 5309 earmark is expected to be used to replace the engines of the remaining 16 2003 model buses in DATA's fleet. The federal dollars related to the replacement have already been approved and are available for the project upon City Council approval of the attached Grant Project Ordinance. Failure to authorize approval of the Grant Project Ordinances will result in forfeiture of these federal dollars.

Alternatives

- 1) Repower the 16 2003 Gillig buses with federal funding – recommended.
- 2) Repower the 16 2003 Gillig buses without federal funding – not recommended.
- 3) The City can choose not to repower remaining 16 2003 Gillig buses. Without the repower of the 16 buses, the City will continue to have problems with these remaining buses and as a result may be unable to continue to provide quality service to its customers. The approved federal grants related to the project will also not be received.

Financial Impact

The proposed repower of 16 DATA buses is estimated to cost \$925,960. FTA is providing 80 percent of the funds for the engine replacement of the 16 buses through a Section 5309 capital grant program, in the amount of \$740,769, while the local portion is \$185,191. The federal portion has already been transferred from the FHWA to the FTA and is now available as sec 5309 funding that the City can obtain and use to cover these engine replacements. The City's matching fund in the amount of \$185,191 has been identified in the current FY 2011 budget.

SDBE Requirements

SDBE requirements are not applicable to the receipt of Federal 5309 funding.