



Date: May 21, 2012

To: Thomas J. Bonfield, City Manager
Through: Theodore L. Voorhees, Deputy City Manager
From: Mark D. Ahrendsen, Transportation Director
Harmon E. Crutchfield, Assistant Director of Transportation
Pierre Osei-Owusu, Sr., Transportation Planner
Subject: Bus Purchase Contract Amendment

Executive Summary

A Purchase Contract in the amount of \$2,920,495 was issued by the City to the Gillig Bus Manufacturing Corporation in December of 2010 for the purchase of five (5) hybrid buses from the Gillig Corporation. The five (5) buses were delivered in March of 2012. After the Purchase Contract was signed by both the City and Gillig, the City requested additional products and services including wrapping these five (5) buses in "Bull City" custom design wrap and installing bus tracking devices. The total cost of the additional products and services is \$75,270.00. This purchase contract amendment is requested to enable the City to pay for the cost of the products and services provided by Gillig that were not included in the original purchase contract.

Recommendation

It is recommended that City Council approve the contract amendment and authorize the City Manager to pay Gillig for the additional products and services received by the City in connection with the procurement of the five (5) hybrid buses from Gillig.

Background

In December of 2010 the City signed a Purchase Contract with Gillig Bus Manufacturing Corporation of California for the manufacture of five (5) hybrid buses to be used on the Bull City Connector route. The total purchase price was \$2,920,495.00. Shortly after signing the Purchase Contract, the City made a request for additional services in the form of full "Bull City" Wrap for all five (5) buses and installation of additional tracking (GPS, DR600Mhz) devices on these buses at a cost of \$75,270.00. The buses were delivered in March 2012 with all the additional features and devices installed. Therefore, Gillig is due the sum of \$75,270.00 representing the cost of the additional products and services ordered after the original Purchase Contract was signed.

Issues and Analysis

The additional services were requested because the City determined that the last Bull City Wrap job that was done in-house had quality issues. The current bus wrap job done by Gillig was done at the factory and comes with a five-year warranty. Also, the additional tracking products were done at the factory level because it was more cost effective and the tracking device needed to be operational sooner than was originally anticipated. This device is used to collect ridership data.

Alternatives

It is recommended that City Council approve the contract amendment and authorize the City Manager to reimburse Gillig for the additional products and services obtained by the City in connection with the procurement of the five (5) hybrid buses.

A second alternative is to not approve the requested amendment that would authorize the City Manager to pay for the products and services already received from Gillig. This option is not recommended as it would subject the City to claims for unpaid invoices from the contractor.

Financial Impact

Funding for the additional product and services has been approved by the FTA and will be charged to the following accounts: 5300U050-732306-LY094 (\$63,412.88) and 5300U050-732306-LY095 (\$11,857.12).

SDBE Summary

The City's transit program is a federally funded program. SDBE participation is not an issue that is associated with the execution of a FTA capital grant.

SDBE is not applicable in the procurement of the additional services and products from Gillig.

Attachments

Attachment 1 – Gillig Contract Amendment