



**Date:** May 21, 2013

**To:** Thomas J. Bonfield, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Mark D. Ahrendsen, Transportation Director

**Subject:** Bus Refurbishment Contract Award

**Executive Summary**

The City currently operates 26 2003 model buses that are nearing the end of their useful life of twelve years and 500,000 miles. However, most of these buses have been repowered with new engines and with refurbishment the useful life of the buses could be extended three to five years. The total cost to refurbish twenty-two (22) of the 2003 model transit buses operated by DATA is \$306,702. A total of \$357,386 from two federally-funded bus improvement earmark grants, previously approved by City Council (NC-04-0047, NC 04-0029) is available to refurbish these buses. Upon completion of the refurbishment, \$50,684 will remain for future bus improvements.

**Recommendation**

It is recommended that City Council authorize the City Manager to enter into a contract with Midwest Bus Corporation of Owosso, Michigan to refurbish up to twenty-two (22) of the 2003 model transit buses at a net cost of \$13,941 per bus, not to exceed a total of \$306,702.

**Background**

The City's 2003 model transit buses with Detroit Diesel Series 50 EGR engines experienced major engine problems, primarily due to a failure of the turbochargers. Most of these vehicles have been repowered in the last two years using grant funds from the Federal Transit Administration (FTA). Due to uncertainties regarding the availability of federal capital funds to purchase new vehicles, a decision was made to refurbish the 2003 model buses that have recently been repowered using available federal grant funds thereby extending the useful life of these vehicles. The refurbishment will include structural reinforcement, floor replacement, wheelchair ramp reinforcement, replacement of side panels, undercoating of the floor structure, and replacement of passenger seats. FTA has approved the use of existing grants funds for this refurbishment project.

**Issues and Analysis**

The City has solicited proposals to refurbish up to twenty-two (22) of the City's 2003 Model transit buses. Specifications were written; an advertisement was placed; a pre-bid conference was held; and bids were ultimately received on April 19, 2013. Two bids were received as identified below:

Coach Crafters Inc	\$30,314 per bus
Midwest Bus Corporation	\$13,941 per bus

The City's 2003 model transit buses are not eligible for replacement until 2015. In the absence of refurbishing the fleet, the City will continue to make costly repairs to these buses.

The availability of federal capital funds for bus replacement is also uncertain at this time. To avoid the costly repairs and extend the useful life of these buses, it is recommended that the 2003 model buses be refurbished using available grant funds.

**Alternatives**

The preferred alternative is that City Council award a contract to Midwest Bus Corporation for the purpose of refurbishing up to twenty-two (22) of the 2003 transit bus model at a net cost of \$13,941 per bus using approved grant funds, not to exceed \$306,702.

A second alternative is to replace the 2003 model buses. This is not reasonable since federal capital funding for bus replacement is not available at this time for replacement.

A third alternative is to not refurbish the buses. This is not recommended since the cost of the refurbishment project will be less than the estimated cost of on-going maintenance of the twenty-two (22) buses.

**Financial Impact**

A total of \$357,386 in existing federal grants and City matching funds has already been approved by City Council and is available for this bus refurbishment. FTA has also approved the use of the federal grant funds for this purpose.

**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.

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Midwest Bus Corporation of Owosso, Michigan and has determined that they are in compliance with the Ordinance to Promote Equal Opportunity in City Contracting.

The workforce statistics for Midwest Bus Corporation are as follows:

Total Workforce	45	100%
Total Females	4	9%
Black Males	0	0%
White Males	40	90%
Other Males	2	2%
Black Females	0	0%
White Females	4	8%
Other Females	2	4%
Total Males	41	91%

**Attachments**

Attachment 1 – Service Contract