

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 11/8/2023

**Staff Report No. 23-520**

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**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager/Chief Executive Officer  
**SUBJECT:** Purchase Fifty (50) Forty-Foot Gillig Diesel Buses

### ACTION ITEM

**AGENDA PLANNING REQUEST:** ☐

**RECOMMENDED ACTION(S):**

Consider authorizing the General Manager, or his designee, to execute documents through Washington State Transit Bus Cooperative Contract, to purchase fifty (50) forty-foot diesel buses from Gillig LLC of Livermore, CA.

Staff Contact:  
Salvador Llamas, Chief Operating Officer

**STRATEGIC IMPORTANCE:**

Goal - Safe and Secure Operations  
Initiative - Service Quality

These new diesel buses will enhance service quality, by replacing older and higher polluting diesel buses currently in the fleet that have exceeded their useful life. Purchasing additional newer diesel buses is part of the District's Zero Emissions Bus (ZEB) Transition Plan, provided to the California Air Resources Board (CARB), as required by the Innovative Clean Transit (ICT) regulation and the Federal Transit Administration (FTA).

**BUDGETARY/FISCAL IMPACT:**

The purchase of the fifty (50) diesel buses is expected to cost approximately \$35 million. The purchase is funded by \$32 million of Federal Transit Administration (FTA) and bridge toll funds through the Metropolitan Transportation Commission's Transit Capital Priorities Program, as well as the State of Good Repair (SGR) Program. The remaining required \$3 million will be funded by District Capital funds.

**BACKGROUND/RATIONALE:**

The purchase of diesel buses is part of the District's fleet plan and replaces buses that have exceeded their useful life. Further, replacing older buses with new buses equipped with modern technology enhances fleet efficiency, reduces operating expenses, and brings the District closer to achieving the FTA-mandated Transit Asset Management (TAM) targets. The District currently has 69 buses beyond their useful life and the purchase of these 50 buses will reduce maintenance costs, improve bus reliability, and reduce pollutants since the newer engines are equipped with the latest advancements in exhaust emissions control systems.

Staff has reviewed the Washington State Transit Bus Cooperative Contract and finds it to be an appropriate means of purchasing diesel buses from Gillig. The District has conducted its due diligence in ensuring the contract was competitively sourced to meet Federal Transit Administration (FTA) required fair and reasonableness pricing standards and proper contracting procedures were undertaken during the original contracting process. In particular, the resulting master contract has been reviewed to ensure it incorporates the terms, conditions, and certifications necessary to meet all relevant FTA guidelines and requirements.

**ADVANTAGES/DISADVANTAGES:**

The purchase of fifty (50) diesel buses will allow the District to replace aging diesel buses in the fleet and move the District closer to achieving the FTA Transit Asset Management (TAM) established performance targets, requiring that buses are replaced when they reach the useful life benchmark. Not purchasing the new buses means the District will have to continue operation of higher polluting diesel buses until the planning and construction of charging or fueling stations are completed, to support additional zero emission buses. Operating older buses beyond their useful life impacts operating costs and service reliability. Further, the District would create a larger gap in achieving the TAM-established targets.

**ALTERNATIVES ANALYSIS:**

An alternative to purchasing these buses through the Washington State Transit Bus Cooperative Contract would be to issue a Request for Proposal (RFP). However, this alternative would not be the best option, as it would require considerable District resources and time to award a contract for fifty (50) buses, in order to meet the requirements of the grant agreement. Not only is the RFP process lengthy and onerous, there is no guarantee that the District would secure more favorable pricing and/or contract terms, especially given the current economic environment.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

23-245 Fiscal Year 2023-2024 State of Good Repair Program  
21-329 Procurement of fifty (50) Forty Foot Diesel Buses  
Board Policy 465 - Procurement Policy

**ATTACHMENTS:**

None

**Prepared by:**

Stuart Hoffman, Technical Services Manager

**Approved/Reviewed by:**

Jill A. Sprague, General Counsel/Chief Legal Officer  
Chris Andrichak, Chief Financial Officer  
Cecil Blandon, Director of Maintenance  
Fred Walls, Director of Procurement and Materials  
Salvador Llamas, Chief Operating Officer