



Legislation Text

File #: R-2021-103, **Version:** 1

RESOLUTION R-2021-103: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO SUBMIT A GRANT APPLICATION TO THE FEDERAL TRANSIT ADMINISTRATION'S FISCAL YEAR 2021 LOW- OR NO-EMISSION VEHICLE PROGRAM AND EXPRESSING ITS COMMITMENT TO SECURE FUNDING FOR THE LOCAL MATCH IF SUCH GRANT IS AWARDED AND PROJECT APPROVED.

BACKGROUND: The Federal Transit Administration (FTA) Grants for Buses and Bus Facilities Program (49 U.S.C. 5339) makes federal resources available to states and direct recipients to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through formula allocations and competitive grants. A sub-program, the Low- or No-Emission Vehicle Program, provides competitive grants for bus and bus facility projects that support low and zero-emission vehicles.

On June 27, 2019 the City of Norman was recognized by the FTA as an eligible recipient of federal transit funds and is eligible applicant of the Low- or No-Emission Vehicle Program. Eligible activities for this program include capital projects to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities.

A requirement of the Low- or No-Emission Vehicle Program is to identify the source of local match to the federal funds and to provide evidence and commitment of those funds with the entity's application. A Council resolution meets this requirement.

When a project is selected, funds are available for obligation three fiscal years after the fiscal year in which the competitive awards are announced.

DISCUSSION: The City's fixed-route fleet includes eight (8) vehicles out of thirteen (13) that have reached their useful life. Vehicle replacement is critical to operate and maintain a safe, reliable, and cost-effective transit system. As the City of Norman replaces the vehicles in its transit fleet, staff will identify opportunities to offset the cost of replacement by combining federal and local funds.

The FTA's Low- or No-Emissions Vehicle Program is a specific opportunity to replace those vehicles that have reached their useful life with low- or no- emission alternatives, such as battery electric. City staff has identified battery electric buses as a viable option for the City's transit services.

The City has received funding match from Oklahoma Department of Environmental Quality (OKDEQ) for the purchase of a battery electric bus. In addition, the Association of Central Oklahoma Governments has awarded the City a Congestion Mitigation and Air Quality (CMAQ) grant for the purchase of electric vehicle chargers for the bus. Work has already begun to install the chargers and staff is working on the purchase of the bus. The purchase of an additional electric battery bus would

allow the City to continue to test the viability of these types of vehicles in the City's public transit fleet.

As permitted by the Further Consolidated Appropriations Act, 2020, applicants to the Low-No Emissions Program may submit applications that include partnerships with other entities that intend to participate in the implementation of the project, including, but not limited to, specific vehicle manufacturers, equipment vendors, owners or operators of related facilities, or project consultants. If an application that involves such a partnership is selected for funding, the competitive selection process will be deemed to satisfy the requirement for a competitive procurement under 49 U.S.C. 5325(a) for the named entities.

Five (5) of the City's thirteen (13) fixed route buses are manufactured by Gillig. Staff have discussed the need to partner with Gillig on this grant application to capitalize on efficiencies for parts, support, warranty, and general familiarity with Gillig products. Staff has further committed to utilizing competitive state contract pricing for a purchase, where already in place, and as available. Gillig has provided a price estimate for a 35' battery electric bus. Base price, estimated options, and delivery charges come to approximately \$925,000 in total cost. The minimum cost share for this grant can be an 80% federal and a 20% local share, however, due to the competitive nature of this program staff are recommending that the City apply with a 70% federal (\$647,500) and 30% local (\$277,500) share.

In addition to the purchase of the bus, the City would need to install an additional charging station in the Maintenance Facility's transit yard. Estimated costs for the purchase of an additional charger and installation are \$46,000. Staff are proposing the same cost sharing as the bus, 70% federal (\$32,200) and 30% local (\$13,800).

Total proposed cost sharing for the grant application for the battery electric bus and the associated charger are approximately \$679,700 (70% federal) and \$291,300 (30% local).

RECOMMENDATION: Staff recommends the approval of Resolution R-2021-103, authorizing the City Manager or his designee to submit a grant application on behalf of the City of Norman to the Federal Transit Administration's FY2021 Low- or No-Emission Vehicle Program for a battery electric bus, partnering with Gillig as the manufacturer, and committing the City of Norman to provide the required local match, through either the General Fund, the Public Transit Sales Tax Fund, or Capital Fund, if the project is selected.