

STAFF REPORT

SUBJECT: Purchase of Four 40-Foot and Four 35-Foot Diesel-Electric Hybrid Replacement Buses

FROM: Jennifer Yeamans, Senior Grants & Management Specialist

DATE: October 6, 2025

Action Requested

Approve Resolution 28-2025, authorizing the Executive Director to execute documents in a form approved by Legal Counsel to purchase four (4) new 35-foot and four (4) new 40-foot diesel-electric hybrid replacement buses in accordance with LAVTA's FY22–FY31 Capital Improvement Program (CIP).

Background

In 2010, LAVTA purchased four 29-foot hybrid buses from Gillig LLC, which are now past the end of their useful life. In May 2022, the Board approved the agency's CIP for Fiscal Years (FY) 2022 through 2031, which scheduled these buses to be taken out of service in 2024 and replaced with larger 40-foot vehicles, to accommodate ridership increases in recent years, particularly during the morning peak pull.

Based on the CIP replacement schedule, LAVTA applied for FY2022–FY2024 funding available from the Federal Transit Administration (FTA) Section 5307 Urbanized Area and Section 5339 Bus & Bus Facilities formula programs for eight 40-foot replacement buses and related support equipment including fareboxes, automatic vehicle locators (AVLs), and radios. In April 2024, the Metropolitan Transportation Commission (MTC) programmed \$7,136,885 in FTA funds to LAVTA for these purposes, and in December 2024 FTA approved MTC's programming with the 2025 Transportation Improvement Program (TIP) update.

In spring 2025, LAVTA staff identified a need following implementation of the Wheels in Motion service changes to change the composition of the replacement-bus purchase from eight 40-foot buses to four 40-foot buses and four 35-foot buses. This change reflected the need to balance capacity maximization in peak-hour service especially to schools, with constraints imposed on the Route 30R (LAVTA's highest-mileage and highest-ridership route) by the large roundabout on Golden Gate Drive north of the West Dublin/Pleasanton BART station. Since establishing the Route 30R in 2016, LAVTA has only been able to assign 29- and 35-foot buses to the 30R due to the size of the roundabout. With four 29-foot buses now serving the 30R scheduled to be retired, purchasing four 35-foot replacements

would enable four of the eight replacement buses to operate on the 30R while still increasing capacity, as 40-foot buses generally cannot be assigned to this route.

On September 10, LAVTA received final FTA funding approval to change the composition of the replacement bus purchase. FTA funds require a minimum 20% local match. For FY26, LAVTA's budget identified \$1,784,221 in Transportation Development Act (TDA) Article 4.0 funding as local match for the purchase of 8 diesel-hybrid replacement buses and related support equipment, while noting that additional local match may be required at the time of purchase due to bus-pricing ceilings established by MTC's Transit Capital Priorities Program, which sets regional policy for the distribution of FTA formula funds to the region's transit operators by urbanized area.

Discussion

In anticipation of securing the maximum level of federal grant funding available for the purchase, in early 2025 staff proceeded with procurement activities including verification of specifications desired and identification of qualified vendors based on LAVTA's needs. Staff prepared an Independent Cost Estimate (ICE) based on historical pricing for similar purchases in 2015 and 2021, the most recent years LAVTA purchased 35- and 40-foot hybrid buses, respectively. Staff's ICE adjusted past pricing based on the Bureau of Labor Statistics' Producers Price Index (PPI) factors to estimate a 2025 total purchase price of \$9,668,722.

LAVTA's Procurement Policy and procedures encourage the use of intergovernmental purchasing agreements when possible, in order to reduce duplicative effort and achieve cost economies. Staff researched both existing state cooperative purchasing agreements as well as joint procurements conducted by other agencies and identified a state cooperative purchasing contract between Washington State Department of Enterprise Services and Gillig LLC that could supply the equipment needed within the timeframe required by LAVTA to complete the purchase per its specifications, with the most favorable terms available to LAVTA given present market conditions.

In August, LAVTA received updated price quotes from Gillig with LAVTA's desired specifications in accordance with the terms of the Washington State contract. The pricing offered reflected LAVTA's revisions to preliminary quotes received in May, bringing the initial price quoted down by approximately \$50,000 (4%) per bus through careful review of current requirements relative to market conditions, and within 2% of the ICE.

Fiscal Impact

The expenditures and revenues associated with this purchase are as follows:

Expenditures	Each	Total
4 35-foot hybrid buses and related support equipment, including est. taxes, fees, warranties, and delivery	\$1,225,519	\$4,902,076
4 40-foot hybrid buses and related support equipment, including est. taxes, fees, warranties, and delivery	\$1,236,367	\$4,945,468
	Total	\$9,847,544

Revenues	%	Total
FTA FY22 FY23 & FY24 5307/5339	72.5%	\$7,136,885
Local Match:	27.5%	\$2,710,659
<i>STA SGR FY23 & FY24</i>	<i>1.3%</i>	<i>\$137,715</i>
<i>TDA</i>	<i>26.2%</i>	<i>\$2,578,944</i>
Total	100.0%	\$9,847,544

Funds for this purchase are included in the agency's FY26 budget, although LAVTA does not expect to take delivery of the buses until FY28. MTC's maximum price allowed (in terms of programmed funding) for a 40-foot diesel-electric hybrid bus in FY2024 per standard regional policy is \$896,000, meaning that is the maximum price at which MTC will program the full 80% in federal funding (\$716,800 per bus), and for a 35-foot hybrid bus the maximum federal share is \$706,400. Therefore, any additional funding required by agencies must comprise non-federal funds. MTC's price list is based on a survey of the region's bus operators and represents varied purchasing circumstances around the region experienced by different transit agencies.

Given marketwide disruptions in the transit bus industry nationwide since the pandemic and more recently with new tariffs, MTC has worked collaboratively with operators purchasing buses case-by-case to maximize the federal contribution to the regional transit assets' state of good repair. For this purchase, MTC was able to program a greater federal contribution than the official bus-van price list, but LAVTA must still make up a non-federal shortfall averaging \$115,805 per bus, for a total of \$926,438. Of the total shortfall, \$137,715 will be made up by applying State Transit Assistance State of Good Repair funds to the purchase in lieu of local TDA funds.

Other Issues

The additional TDA funding required to complete the purchase with LAVTA's specifications will be reprogrammed in the CIP and updated accordingly in the FY26–27 agency budget.

All U.S. transit bus manufacturers, including Gillig, report increasing price uncertainty due to tariffs. Continued strong demand for transit buses nationwide has created significant backlogs of orders, and transit bus manufacturers have reported passing costs of tariffs along to customers on both current and future contracts. While federal Buy America laws and rules require a minimum of 70% of the cost of components and subcomponents for transit rolling stock be produced in the U.S., it has been typical in LAVTA's past procurements for manufacturers to supply up to the maximum allowable share of the components and subcomponents from non-U.S. sources. Therefore, a degree of uncertainty remains with final pricing depending on when LAVTA places its order and for what specific components to be supplied by the manufacturer, which LAVTA staff intends to work collaboratively with the manufacturer to address when necessary.

Recommendation

Staff recommends Resolution 28-2025, authorizing the Executive Director to execute documents in a form approved by Legal Counsel to purchase four (4) new 35-foot and four

(4) new 40-foot diesel-electric hybrid replacement buses in accordance with LAVTA's FY22–FY31 Capital Improvement Program.

Attachments:

1. Resolution 28-2025

RESOLUTION NO. 28-2025

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
AUTHORIZING THE PURCHASE OF FOUR 40-FOOT AND FOUR 35-FOOT
DIESEL-ELECTRIC HYBRID REPLACEMENT BUSES FOR A TOTAL
AMOUNT OF \$9,847,544 WITH A CONTINGENCY NOT TO EXCEED \$984,754**

WHEREAS LAVTA purchased four heavy-duty buses in 2011 with a useful life of 12 years; and

WHEREAS the four 2011 vehicles described above were due for retirement in 2023, while an additional four vehicles retired in 2012 past the end of their useful life had their replacement deferred a full 12-year life cycle making them due for replacement in 2024, and staff has identified a need to replace all eight vehicles; and

WHEREAS in March 2021, LAVTA adopted Resolution 07-2021 establishing the agency's Capital Improvement Program (CIP) for Federal Fiscal Years (FFY) 2021–2025 including replacement of the eight fixed-route vehicles and additional related components in the FFY21–FFY25 funding cycles, and subsequently applied to the Metropolitan Transportation Commission (MTC) for Federal Transit Administration (FTA) formula funding apportioned to LAVTA's service area and programmed to support the region's Transit Capital Priorities Policy; and

WHEREAS in June 2025, MTC approved programming of FFY22, FFY23, and FFY24 FTA formula funds to support the purchase of four 40-foot and four 35-foot hybrid replacement buses and updated the regional Transportation Improvement Program (TIP) accordingly with Revision 2025-12 approved June 9, 2025; and

WHEREAS in September 2025, FTA approved MTC's programming of \$7,136,885 in FTA formula funds for LAVTA's purchase of four 40-foot and four 35-foot replacement vehicles and related support equipment including fareboxes, automatic vehicle locators, and radios, making these funds available for these purchases; and

WHEREAS the FTA funding requires a minimum 20 percent local match, which is included in LAVTA's approved Fiscal Year 2025–2026 budget; and

WHEREAS LAVTA's Procurement Policy and Procedures provide for the use of intergovernmental agreements when consistent with applicable state, statutory, and federal grant requirements, and use of such agreements is permitted by the Federal Transit Administration and the California Public Contract code to achieve cost economies and reduce duplicative effort; and

WHEREAS LAVTA staff and Legal Counsel have analyzed the contract between the Washington State Department of Enterprise Services and Gillig LLC and found it to be cost-effective, consistent with LAVTA's Procurement Policy, and procured in accordance with FTA's cooperative purchasing requirements set forth in FTA's Third-Party Contracting Guidance (Circular 4220.1G), which encourages recipients of the

Formula Grants for Buses and Bus Facilities Program (49 U.S.C. 5339(a)) to the extent practicable, seek to use the procurement tools authorized by section 3019 of the Fixing America's Surface Transportation (FAST) Act including use of interstate cooperative procurements;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Livermore Amador Valley Transit Authority that the Executive Director is authorized to execute a Cooperative Purchase Agreement with Gillig LLC, in forms approved by Legal Counsel, to procure four new 40-foot diesel-electric hybrid replacement buses and four new 35-foot diesel-electric hybrid replacement buses for a total amount not to exceed \$9,847,544, based on the Washington State Department of Enterprise Services Transit Bus Cooperative Purchasing Schedule for Heavy Duty Transit Buses; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the Executive Director to expend a 10 percent contingency amount not to exceed \$984,754.

PASSED AND ADOPTED this 6th day of October 2025.

Julie Testa, Chair

ATTEST:

Christy Wegener, Executive Director

APPROVED AS TO FORM:

Michael Conneran, Legal Counsel