

## City Council – Action Request Form

**Date:** August 12, 2024

**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

**From:** Aaron King, Assistant City Manager  
 Jeff Fansler, Director of Transportation

**Council Action Requested:**

Items Relating to the Federal Transit Administration’s Low or No Emission Grant Program Award to the City of Winston-Salem for the Purchase of Five Hybrid-Electric Buses

- a. Resolution Awarding a Purchase Order for Five Hybrid-Electric Buses
- b. Project Budget Ordinance Amendment to Appropriate Funds from the Federal Transit Administration to the City for the Purchase of Five Hybrid-Electric Buses

**Strategic Focus Area:** Quality Transportation

**Strategic Objective:** No

**Strategic Plan Action Item:** No

**Key Work Item:** No



**Summary of Information:**

The Winston-Salem Transit Authority (WSTA) has the need to purchase five 35-foot hybrid electric buses. The five buses will replace existing fixed-route buses that have exceeded their 500,000-mile and/or 12-year useful life with newer, cleaner, more efficient, and reliable hybrid electric buses. This purchase will help reduce maintenance costs, improve overall fleet condition, and contribute to better air quality in the area.

On July 9, 2024, the Federal Transit Administration (FTA) announced the award of \$4,444,757 to the City of Winston-Salem through the Low or No Emission Grant Program (“Low-No Program”). The Low-No Program supports the purchase or lease of zero-emission and low-emission transit buses, as well as the acquisition, construction, and leasing of supporting facilities. The local match commitment for the project is \$788,143, for a total project cost of \$5,232,900.

**Committee Action:**

<b>Committee</b>	Committee of the Whole 8/12/2024	<b>Action</b>	Approval
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<b>For</b>	Unanimous	<b>Against</b>	
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**Remarks:**

One unique feature of the Low-No Program is the partnership provision, which enables applicants to enter partnerships with other entities that intend to participate in the implementation of the project. Eligible partners include original equipment manufacturers. If a project that identifies partners is selected, the project will be deemed to satisfy the requirement for a competitive procurement. The intent of the partnership provision and emphasis on the reduction of vehicles needing customization is to greenlight the manufacturing of American-made buses with limited customization needs.

The City of Winston-Salem/WSTA application to the Low-No Program identified manufacturer New Flyer of America Inc. (New Flyer) as the selected partner for the project. Two prospective partners submitted partnership letters as indication of their interest and support of the City of Winston-Salem bus replacements application. After evaluation of the partnership letters, New Flyer was selected primarily due to the lower cost of their vehicles and faster projected delivery schedule. New Flyer prices their XDE35 35-foot hybrid electric buses at \$1,033,761.49 per bus and estimates that buses can be delivered within 12-16 months of the firm order date. New Flyer accepts progress payments, to be 75% at the time of battery or engine install and 25% at acceptance with net-30 terms, compliant with FTA eligibility criteria for the Low-and No-Emission Grant Program.

The table below summarizes the cost and delivery schedule of the two manufacturers that submitted partnership letters for the application:

Manufacturer and Model	Cost Per Bus	Estimated Delivery Time
New Flyer XDE 35 (Selected Partner)	\$1,033,761.49	12-16 months
GILLIG Low Floor	\$1,066,300.00	15-18 months

Included with the funded application is \$64,090 for Workforce Development, which shall provide external customer (transit agency) training and workforce development to introduce the vehicle to customers, help properties operate and maintain the vehicle, provide operation and safety feature training, and maintenance and troubleshooting training. New Flyer’s Partnership Commitment can be found in Attachment A.

On March 4, 2024, the Winston-Salem City Council authorized a support letter to the FY24 Bus and Bus Facilities Competitive Program and Low or No Emission Grant Program. As part of the resolution of support and support letter, City Council committed to the use of match dollars from the WSTA Reserve outlined in the 2024-2029 Capital Plan.

Approval of this item awards a purchase order for \$5,232,900 to procure five low-emission 35-foot, heavy-duty New Flyer Xcelsior XDE35 Allison Hybrid-Electric transit buses.