



Approval of Contract for New Heavy-Duty Compressed Natural Gas Buses

Board of Directors
Development Subcommittee

December 10, 2024

Darryl E. Spencer, P.E.
Vice President
Engineering & Technical Services
Development Department



Today's Consideration

- Approval to award a three-year contract to purchase 476 new, heavy-duty Compressed Natural Gas (CNG) buses, including an option to purchase an additional 46 buses, to Gillig, LLC through a Cooperative Purchasing Agreement (CPA) between DART and the Washington State Department of Enterprise Services (DES)

Business Purpose

- Purchase of 30- and 40-foot heavy-duty, CNG-powered buses is needed to replace existing fleet of 476 heavy-duty NABI buses and 46 New Flyer buses that are reaching the end of their useful life
- Gillig was chosen as OEM due to the 30-foot bus platform within their product offering
- Improved technologies and amenities will be installed based on survey feedback from internal and external stakeholders and will:
 - Enhance the customer experience
 - Improve bus reliability
 - Support safety and security of passengers and operators

Purpose for Request Today

Age of Fleet

- DART's current NABI buses (476) and some New Flyer buses (46) are subject to replacement during FY 2026-2028
- Age of fleet causes decrease in reliability, increased maintenance, and parts procurement challenges

Market Constraints

- Two CNG bus manufacturers in U.S. with Buy America Compliance – only a certain number of spots in their production lines over next few years

Delivery Timing and Service Levels

- World Cup event will increase bus needs to move visiting passengers
- Time for delivery means that vehicles will have reached the end of their useful life upon new bus delivery

Cost

- \$103M in low / no emission grant funding available
- Estimated increase in cost of buses by 5% over each year of delay in purchase
- Ability to use State of Washington DES Contract

Background – Current Service and Contemplated Service Changes

Background – Establishing Efficiency in Bus Count

Bus Network Redesign in 2022 reduced the number of vehicles required for operations by 120 buses while still increasing service.

Current Bus Ridership

- Buses are vital to our system. DART riders use a significant portion of our bus service for regional connection across our 700 square mile service area.
- Ridership system-wide up to 80% of pre-pandemic levels.

Contemplated Future Service

- Request is optimized to address is the minimum required to maintain current service exclusive of the Express routes.
- Delaying purchase of 46 buses allows us to assess the future of Express Services.
- Purchase does not cover potential service expansion outlined in Mobility+ Tier 2 report or allow us to quickly address City requests for additional services.

Funding Strategy

- DART was awarded \$103M FTA Lo/No Grant
- Remaining \$269M will be paid using debt
- Purchasing 476 buses in one order instead of multiple lots saves \$10-15M
- Entering the agreement now will lock in price with Gillig
 - Allows us to save 5% PPI year over year
 - Ensures we are in production schedule and avoids costly delays

Bus Purchase Funding Sources (in \$000)			
Year	Debt	Grants	Total
FY 2025	\$93,382	\$0	\$93,382
FY 2026	\$28,886	\$103,000	\$131,886
FY 2027	\$147,219	\$0	\$147,219
Total	\$269,487	\$103,000	\$372,487

Timeline

Next Steps

- Today – Board action requesting approval to enter into agreement with Gillig to purchase 476 buses which includes an option for an additional 46 buses
 - 76 – 30-foot CNG buses
 - 400 – 40-foot CNG buses
- December 2024 – Notice of Award and Notice to Proceed (Projected)
- January 2025 – Pre-production meeting with Gillig (Projected)
- October 2025 – December 2025 – Anticipated Delivery of FAI Buses
- January 2026 – December 2027 – Anticipated Delivery for 476 Buses
- January 2028 – December 2028 – Anticipated Delivery for optional 46 Buses

Recommendation

- Approve a resolution authorizing the President & Chief Executive Officer or her designee to award a three-year contract to purchase 476 new, heavy-duty Compressed Natural Gas (CNG) buses which includes an option to purchase an additional 46 buses with Gillig, LLC through a Cooperative Purchasing Agreement (CPA) between Dallas Area Rapid Transit (DART) and the Washington State Department of Enterprise Services (DES) for a not-to-exceed amount of \$372,487,452, with a contingency fund of \$1,000,000 over the term of the contract, for a total authorized amount not to exceed \$373,487,452.

Thank You!

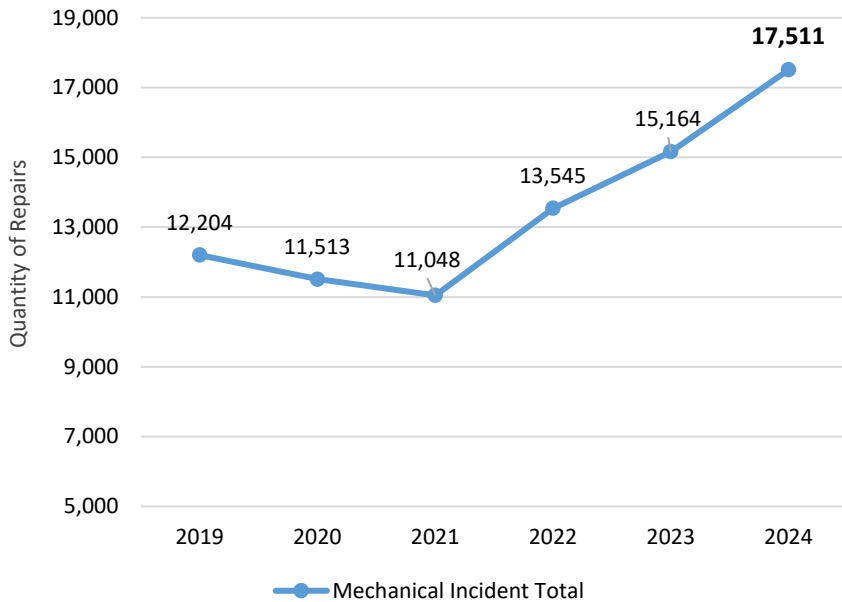


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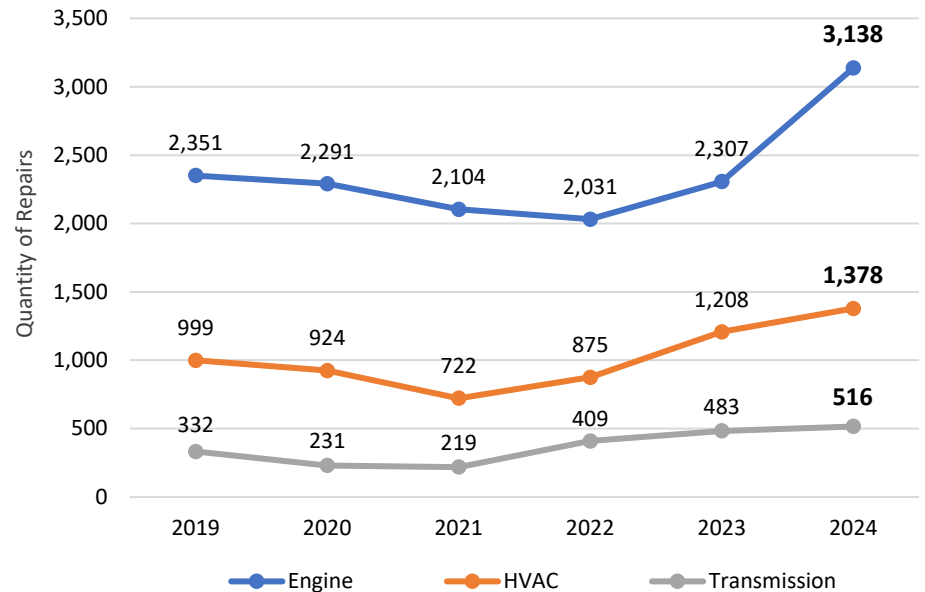
Aging Fleet Impacts

Fleet is showing increase in mechanical repair incidents. Most expensive repair categories, Engine, HVAC, Transmission, are increasing.

Mechanical Repairs Increasing As Fleet Ages



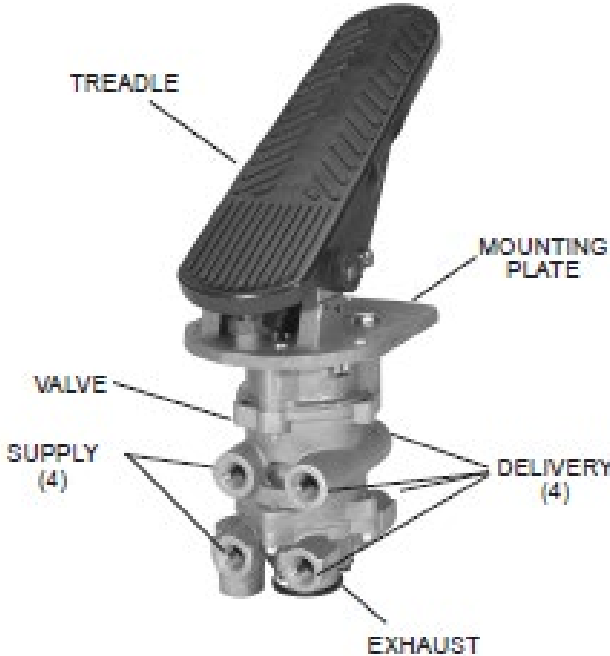
Increase in Top 3 Most Expensive Repair Categories



Background: Life Cycle & Maintainability Challenges

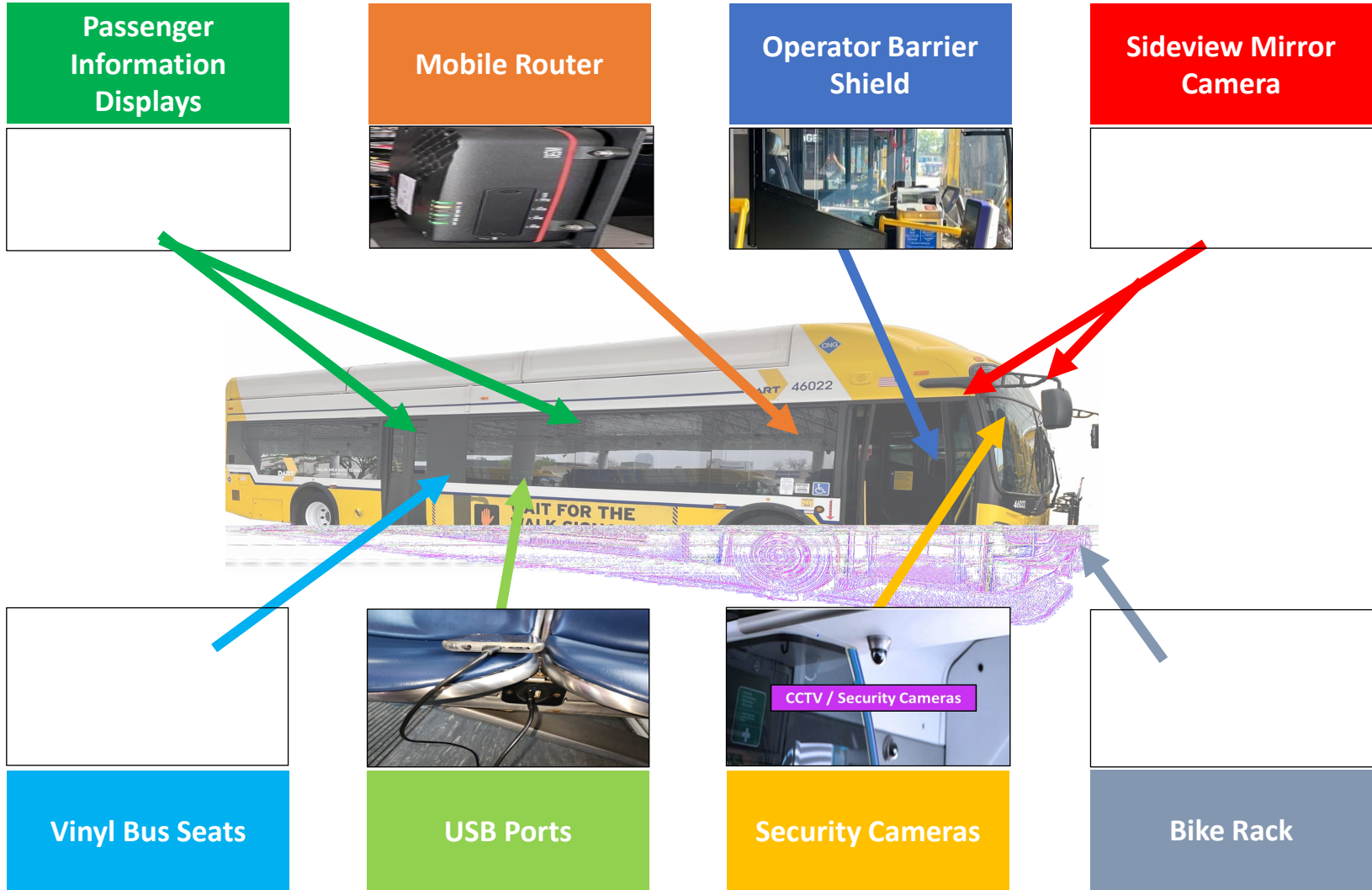
- Buses rated at a 2.9/5 on the State of Good Repair report. The 476 buses that DART is requesting to replace were rated at a 2.81/5 on the SGR report. The 2016 model year buses were at a 3.88/5 as of 2023.
- The FTA defines the useful life of a heavy-duty transit bus as 12 years or 500,000 miles, whichever comes first.
 - 476 NABI fleet will reach or surpass the 500,000-mile life in less than a year.
 - 46 New Flyer buses will reach the end of their useful life in 2028.
- Product obsolescence leads to some parts becoming hard to find. Some are available only as rebuilt items or as third-party, reverse-engineered components.

Background: Life Cycle & Maintainability Challenges



New Bus Fleet Amenities

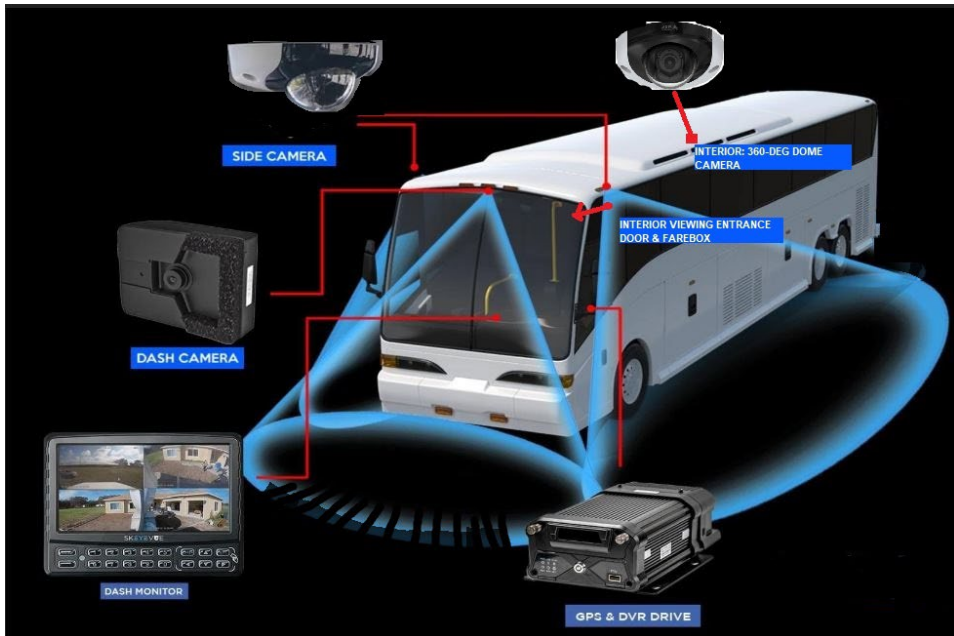
Upgraded Technology and Improved Rider Experience



Bus Amenities – Security

Security measures include anti-glare driver barrier and increased CCTV coverage.

CCTV Coverage – Interior and Exterior



Driver Barrier

