



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: A Resolution of the City Council of Commerce, California, Approving Change Order #1 for the Purchase of a New 2025 40' Battery Electric Low-Floor Bus in an Amount not to exceed \$1,803,051, and an increase of \$318,937

MEETING DATE: July 8, 2025

RECOMMENDATIONS:

Staff recommends that the City Council adopt a resolution to approve the change order #1 for the purchase of a new 2025 40' Battery Electric Low-Floor Bus for transit fixed route operations for \$1,803,051, an increase of \$318,937, utilizing the State of Washington, RFP#2020, Purchasing Contract No 06719-01.

BACKGROUND:

On May 24, 2024, the City Council approved the purchase of a New 40' Battery Electric Low-Floor Bus in an amount not to exceed \$1,484,114. The State of Washington's contract documents comply with all the requirements set by the State, Federal Transit Administration, and the City for competitive procurement. The Transportation staff has determined that purchasing this bus is of the utmost importance for providing reliable transit services and complying with California Innovative Clean Transit (ICT) fleet regulations.

ANALYSIS:

The primary reason for the increase is associated with recent tariffs for manufacturing components required to complete the construction of the battery electric bus. The proposed 40-foot Battery-Electric bus will comply with the California Air Resources Board (CARB) Innovative Clean Transit (ICT) Regulation and the City of Commerce Transportation Rollout Plan. As per the Public Transit Agencies' requirement, zero-emission technology is mandatory for transit fleet equipment, and by 2040, 100% of the transit fleet equipment must be zero-emission. This bus purchase will contribute to the department's electrification milestones.

FISCAL IMPACT

The proposed 40' Battery Electric Low-Floor Bus purchase will cost approximately \$1,803,051 in FY26, utilizing Federal Section 5307 grant funds (Grant # CA-2025-093-00).

40' Battery Electric Unit Price (Non-Taxed)	\$1,699,621
CA Non-Taxable (ADA-Related) Items	\$ - 61,122
CA 40' Battery Electric Taxable Price	\$1,638,499
CA Sales Tax 10.250% Adjusted to 6.3125% (Zero Emission)	\$ 103,430
CA Non-Taxable Items	\$ 61,122
BUS TOTAL PRICING	\$1,803,051

PROJECT FUNDING

The Approved Purchase Amount	\$1,484,114
Change Order #1 Increase Amount	\$ 318,937
TOTAL	\$1,803,051

Funds are available and budgeted in account 57.8338.80500.

RELATIONSHIP TO STRATEGIC GOALS

This agenda item pertains to the 2016 Strategic Planning Goal, which is to remain financially responsible while providing quality services to the residents. Purchasing a 40-foot battery-electric low-floor bus will ensure the Transportation Department's Transit system has modern and reliable route services.

ALTERNATIVES:

1. Approve staff's recommendation.
2. Reject staff's recommendation.
3. Provide staff with alternate or further direction.

Recommended by: Claude McFerguson, Director of Transportation

Fiscal impact reviewed by: Alvaro Castellon, Director of Finance

Approved as to form by: Noel Tapia, City Attorney

Respectfully submitted: Ernie Hernandez, City Manager

Attachments:

1. Resolution
2. Purchase Price Variance Quote
3. Cooperative Purchasing Agreement
4. Federal Grant # CA-2025-093-00