



## City of Racine, Wisconsin

### AGENDA BRIEFING MEMORADUM

**AGENDA DATE:** Transit Commission, Thursday, June 26<sup>th</sup>, 2025

**SUBJECT:** Communication sponsored by Alder Horton, on behalf of the Transit & Mobility Director, repealing Resolution 0067-23 and requesting permission to replace the manufacturer and bus procurement quantity, providing authorization to execute an agreement to purchase three Gillig 35'ft EV fixed-route transit buses for approximately \$4,500,000.

**PREPARED BY:** Trevor Jung, Transit & Mobility Director

**EXECUTIVE SUMMARY:** The City of Racine has been awarded funding through the Federal Transit Administration (FTA) Low or No Emission Vehicle Program (5339(c)) to support the purchase of three 35-foot battery-electric fixed-route transit buses. This program is part of a national effort to transition public transit fleets toward cleaner, more energy-efficient vehicles. Funded through the Bipartisan Infrastructure Law, the Low-No Program provides \$5.5 billion over five years. In this cycle, \$1.1 billion was awarded to 100 projects across 40 states, Puerto Rico, and Washington, D.C. The City of Racine was the only Wisconsin recipient. Approximately 5% of the awarded grant will support workforce development for the operation and maintenance of zero-emission vehicle technologies.

**BACKGROUND:** The City of Racine has already electrified 25% of its transit fleet, leading the state in electric transit adoption. With this purchase, RYDE Racine's electric fleet will expand to 12 buses, or nearly 35% of its fixed-route fleet. These three electric buses will replace three 2011 diesel buses that have reached the Federal Transit Administration's Useful Life Benchmark (ULB), defined as 12 years or 500,000 miles for 35-foot fixed-route buses. This initiative aligns with the City's commitment to carbon reduction, as outlined in Resolution 0122-18, supporting the goals of the Paris Climate Accord.

The Common Council previously authorized participation in the Low-No Emission program and accepted funding for electric bus procurement. This action will **repeal and replace Resolution 0067-23**, as the Transit Department has received FTA approval to change the electric bus manufacturer due to circumstances outside the City's control. Initially, the City partnered with Proterra to procure four electric buses under the awarded grant. However, Proterra's Chapter 11 bankruptcy filing in August 2023 delayed and then disrupted that procurement. Phoenix Cars LLC, which acquired Proterra's transit assets, later informed the City that the originally selected product would no longer be available. In response, the City requested and received FTA approval for the following:

- *Reduction in Order Quantity:* Due to increased costs, the City will now purchase three buses instead of four. This adjustment ensures the project remains within the approved budget and grant amount.
- *Manufacturer Change:* The City will now procure buses from Gillig, a trusted and long-term partner whose electric bus product meets operational needs. Additionally, Gillig offers parts compatibility with the City's current fleet, improving maintenance efficiency and cost-effectiveness.

**BUDGETARY IMPACT:** Total approximate cost of the vehicle replacement project and workforce development program is \$4,500,000 with grant amount being \$3,800,000, local match of \$700,000 available in the capital plan under 60282011 57310 82006.

**RECOMMENDED ACTION:** That the Mayor and City Clerk be authorized and directed to execute the agreement to purchase three Gillig 35'ft EV fixed-route transit buses for approximately \$4,500,000.