



400 South Federal Hwy  
Hallandale Beach, FL 33009

## City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 <sup>st</sup> Reading	2 <sup>nd</sup> Reading
<b>5/18/2022</b>	<input checked="" type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <input type="checkbox"/> <b>Other</b>	Ordinance Reading	<b>N/A</b>	<b>N/A</b>
		Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
		Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
		Quasi Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
<b>File No.:</b>				
<b>22-156</b>				
<b>Fiscal Impact (\$):</b>	<b>Account Balance (\$):</b>	<b>Funding Source:</b>	<b>Project Number :</b>	
<b>\$906,828 (Revenue)</b>	<b>\$2,500,000</b>	<b>State Grant</b>	<b>C1519</b>	
<b>Contract/P.O. Required</b>	<b>RFP/RFQ/Bid Number:</b>	<b>Sponsor Name:</b>	<b>Department:</b>	
<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>	<b>N/A</b>	<b>Dr. Jeremy Earle, City Manager</b>	<b>City Manager's Office – Grants Management, Sustainability &amp; Innovation Office</b>	
Strategic Plan Focus Areas:				
<input checked="" type="checkbox"/> <b>Finance &amp; Budget</b>		<input type="checkbox"/> <b>Organizational Capacity</b>		<input checked="" type="checkbox"/> <b>Infrastructure/Projects</b>
Implementation Timeline:				
Estimated Start Date: 5/18/2022     Estimated End Date: TBD				

### SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING ACCEPTANCE OF SUPPLEMENTAL FUNDING FROM THE FLORIDA DEPARTMENT OF TRANSPORTATION IN THE ADDITIONAL AMOUNT OF NINE HUNDRED SIX THOUSAND, EIGHT HUNDRED AND TWENTY-EIGHT DOLLARS (\$906,828) TO COVER A COST INCREASE DIFFERENTIAL IN NINE ELECTRIC VEHICLES THROUGH AN AMENDMENT TO THE EXISTING PUBLIC TRANSPORTATION GRANT AGREEMENT FOR THE PURCHASE OF THE ELECTRIC BUS FLEET; AND PROVIDING AN EFFECTIVE DATE.

## STAFF SUMMARY:

### **Summary:**

Staff seeks authorization to accept supplemental funding from the Florida Department of Transportation (FDOT) in the amount of \$906,828 through an amendment to the existing \$2.5 million Public Transportation Grant Agreement for the purchase of electric buses, and to execute any and all related documents.

### **Background:**

In June 2020, the City was awarded a FDOT grant in the amount of \$2.5 million to acquire nine (9) electric buses and related equipment, including charging stations. The grant required a 50% match in the amount of \$2.5 million for a total project cost of \$5 million (Exhibit 2). This grant award was approved by the City Commission via Resolution No. 2020-036.

The City conducted a bus demonstration by BYD Motors LLC (BYD) in November 2020. In March of 2021, the City Commission approved the utilization of the State of Georgia contract with BYD for a total amount not to exceed \$5,000,000 for the purchase of 9 electric buses and Momentum Dynamic chargers via Resolution No. 2021-025. The price per bus was \$498,000.

The City conducted additional bus demonstrations with BYD Motors LLC in October 2021, and with Proterra in November 2021 to explore more options. Due to size requirements, staff again recommended the purchase of BYD buses.

In February 2022, the City Commission approved the utilization of the same State of Georgia Contract with BYD for a total of \$5,082,837 for the purchase of nine (9) electric buses and related equipment via Resolution No. 2022-017. The price increase was due to changes in charging equipment rather than the buses. The quoted price per bus was again \$498,000.

On April 20, 2022 when the City sent BYD the contract agreement for review and execution, staff learned that the State of Georgia Contract had been amended on July 1, 2021 with an increase in the bus prices to a base cost of \$630,000 per bus. This increase in price was not captured by the BYD quote that was provided to the City.

On April 27, 2022, BYD informed the City that it would no longer be able to honor the bus unit price of \$498,000 and then provided an updated cost estimate with a bus unit price of \$595,000, which is lower than the updated Georgia Contract bus unit price of \$630,000. The City was also advised that due to continued supply chain issues, BYD intends to increase the Georgia Contract bus unit price to \$680,000 in the near future.

While BYD is offering a lower price than stipulated in the Georgia Contract, the increase is unexpected and unfunded, and results in a shortage in funding of approximately \$100,000 per bus, or approximately \$900,000 for the project.

**Current Situation:**

As previously stated, due to an unexpected increase in cost, the City is in need of approximately \$900,000 in additional funding to proceed with the purchase of nine (9) electric buses. As a result of budgetary constraints, funding is not available to cover the additional costs.

On April 28, 2022, FDOT, the City's funder and partner in this project, was notified of the price increase and the City's inability to identify additional funding for the project to proceed. At that time, a new request for additional grant funds was made.

On May 3, 2022, FDOT responded to the City's request and awarded supplemental funding via amendment to the original grant agreement. Per the amendment, the City has been approved to receive \$906,828 in addition to the \$2.5 million, for a total grant amount of \$3,406,828. Supplemental funding will allow the City to proceed with the purchase of the electric buses.

Because the funding set aside for this amendment is budgeted in the current State's fiscal year budget, FDOT is urging the City to execute the grant amendment immediately upon receipt of the amendment documents. This will allow FDOT to authorize the additional funds before the end of the State's fiscal year, which is June 30, 2022.

**Why Action is Necessary:**

Pursuant to Article V, Section 5.01, of the City of Hallandale Beach Charter, Resolutions are to be presented to and adopted by a majority of the Commission. Furthermore, per the FDOT, a resolution of the City Commission authorizing the acceptance of supplemental funding is required.

**Cost Benefit:**

This grant amendment provides the additional funding needed to effectuate the purchase of the nine (9) electric buses. Upon implementation, immediate benefits include a modernized and sustainable fleet, enhanced routes, and reduced headways for ridership.

It should be noted that the additional funds do not require a match commitment. State financial assistance for the project increased from \$2,500,000 to \$3,406,828. However, the local match remains at \$2,500,000.

**PROPOSED ACTION:**

Staff recommends that the City Commission adopt the attached resolution authorizing the acceptance of supplemental funding for the purchase of nine (9) electric buses and the execution of any and all grant related documents.

**ATTACHMENT(S):**

Exhibit 1 – Resolution

Exhibit 2 – FDOT Service Development Grant Agreement No. G1M91 Effective 6/22/20

Exhibit 3 – Grant Agreement G1M91 Amendment No. 1 for Execution

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Approved By: Jeremy Earle  
Dr. Jeremy Earle  
City Manager