

January 19, 2016

ITEM 170-1002-R0116

Request for Authorization to Purchase Two Electric Transit Buses and Associated Equipment – University of Montana-Missoula

THAT

In accordance with Board of Regents Policy 950.1, the Board of Regents of the Montana University System authorizes the University of Montana to obtain appropriate financing and enter into a contract with Proterra for the purchase of two electric buses.

Total cost of ownership and environmental analyses were performed for the UDASH bus fleet, and it was determined that purchasing electric buses would save energy costs and reduce fleet emissions.

Total project costs: \$2.03 million.

EXPLANATION

The Associated Students of the University of Montana (ASUM) through its Office of Transportation operate the UDASH public transit system. UDASH provides over 400,000 rides annually to students, faculty, staff, and visitors of the University of Montana. An estimated 14% of all trips to campus occur on UDASH transit buses.

In order to meet rising demand, ASUM plans the purchase of two 40-foot battery-electric transit buses and associated charging equipment. The buses will allow ASUM to retire two late-1990s model transit buses, eliminating associated noise and tailpipe emissions.

Upfront costs are estimated at \$2,027,000 (see Attachment 1). This project is supported by \$163,191 in grant funds available under contract with the Montana Department of Environmental Quality, \$200,000 in fund balance, and \$1,663,809 in requested INTERCAP financing or other debt financing structure as permitted. The revenue available from the Small Transit Intensive Cities Funding and ASUM Transportation fee will support the annual debt service which is estimated at \$162,200@2.5% for 12 years.

Conservatively assuming a twelve-year usable life, total cost of ownership and operation of each electric transit bus is estimated to be \$89,000 less than conventional diesel buses. Eventual replacement of the entire diesel fleet would save an estimated \$66,750 per year in operations and maintenance.

ATTACHMENTS

- Attachment #1 – High Level Project Budget
- Attachment #2 – Capacity To Take On New Debt
- Attachment #3 – Proposal Letter from Proterra
- Attachment #4 – Background Information on Proterra
- Attachment #5 – ASUM Transportation Fee