

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Yugal K. Lall, City Engineer/Public Works Director 
Prepared by: Shaun Kroes, Senior Management Analyst 

DATE: April 23, 2010 (CC meeting of 05/05/2010)

SUBJECT: Consider Purchase Order with El Dorado National for the Addition of an Extended Warranty for the Compressed Natural Gas (CNG) Transit Buses

BACKGROUND/DISCUSSION

On October 21, 2009, the City Council approved the purchase of three, 32-foot, El Dorado National Compressed Natural Gas (CNG) buses with a seating capacity of 27 passengers per bus from El Dorado National. The purchase included a two-year, unlimited mileage warranty on the engine and a two year, unlimited mileage warranty on the transmission. The City's current contractor for bus maintenance, Coach America (CUSA), recommended the City purchase an extended warranty in order to keep the City's maintenance costs low. The City's purchase agreement with El Dorado National enables the City to purchase an extended warranty for each bus. The engine warranty would be extended an additional three years, to a five-year warranty, with a 300,000 mile limitation. Each bus averages less than 50,000 miles per year, so the 300,000 limitation should not affect the City. The transmission warranty would be extended an additional three years, to a five-year warranty, with unlimited mileage.

FISCAL IMPACT

The extended warranty purchase will cost:

Engine (\$7,500/bus):	\$22,500
Transmission (\$2,840/bus):	<u>\$8,520</u>
Total:	\$31,020

Funds available for the CNG Bus Purchase:

Total funds budgeted:	\$1,260,000 (America Recovery and Reinvestment Act)
Current bus purchase:	<u>\$1,200,000</u>
Funds remaining:	\$60,000
Extended Warranty:	<u>\$31,020</u>
Funds remaining:	\$28,980

The remaining \$28,980 can be used for additional bus purchase expenses, including the services of a bus production inspector. The anticipated inspector cost is between \$15,000 and \$20,000.

STAFF RECOMMENDATION (Roll Call Vote)

Authorize the City Manager to issue a purchase order to El Dorado National for the purchase of extended warranties (engine and transmission) for the City's three CNG buses in an amount not to exceed \$31,020.