



KATHY HOCHUL
Governor

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Agenda Item V, 2. June 23, 2025

PROPOSED RESOLUTION

**AUTHORIZATION TO ENTER INTO CONTRACT WITH NEW FLYER INDUSTRIES LTD.
FOR THE PURCHASE OF A HYBRID BUS**

RESOLVED by the Board of Directors of the Roosevelt Island Operating Corporation of the State of New York (“RIOC”), as follows:

- Section 1. that RIOC is hereby authorized to enter into contract with New Flyer Industries Ltd. for the purchase of a hybrid bus, upon such terms and conditions substantially similar to those outlined in the Memorandum from Nestor R. Ortiz, Director of Transportation, to RIOC Board of Directors, dated June 17, 2025, attached hereto;
- Section 2. that RIOC is hereby authorized to take such actions and execute such instruments as deemed necessary to effectuate the foregoing; and
- Section 3. that this resolution shall take effect immediately.



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MEMORANDUM

TO: RIOC Board of Directors

FROM: Nestor R. Ortiz, Director of Transportation

DATE: June 17, 2025

RE: Authorization to Enter into Contract with New Flyer Industries Ltd. for the Purchase of a Hybrid Bus

Background

The Roosevelt Island Operating Corporation (RIOC) has operated the Red Bus service for island residents and visitors for several decades. This service, which operates from 5:30 a.m. to 3:00 a.m. daily, features seven stops connecting the North and South ends of the island. The fleet consists of 40-foot ADA-accessible transit buses and one 14-passenger shuttle bus.

Currently, RIOC relies on seven (7) buses to sustain this service. One of these buses, Bus #6 a 2009 Orion Hybrid, has exceeded 242,000 miles and is scheduled for decommissioning. The Orion model is no longer in production and replacement parts are increasingly difficult to source and therefore, has exceeded its value.

Purchasing a new hybrid bus supports RIOC's sustainability goals and represents a critical transition step toward an electric fleet down the line. This investment aligns with our long-term commitment to reducing emissions and achieving zero-emission mobility across the Red Bus fleet.

Procurement Process

This purchase is being conducted through a single-source procurement with New Flyer Industries, a manufacturer that has reliably supplied buses to RIOC for over 20 years. New Flyer has consistently met the operational needs of the corporation and supports environmental objectives that align with New York State mandates for emissions reduction.

New Flyer is a leading North American bus manufacturer with a strong record of producing reliable and durable transit vehicles. RIOC’s entire existing fleet is comprised of New Flyer vehicles. Standardizing the fleet simplifies operations, reduces training requirements, and improves parts and maintenance efficiency. RIOC’s maintenance staff are highly familiar with the parts, diagnostic tools and operational systems used in these buses.

In selected model, The New Flyer Excelsior XDE40 offers cost saving features such as “smart power” which is acceleration using almost pure electric power and regenerative braking which is energy saved when braking to sustain acceleration without the use of fuel yielding 10 to 29% in fuel savings. In addition, RIOC has identified specific hybrid training modules to ensure maintenance staff are fully educated to support this model.

Due to ongoing uncertainty around global tariffs, New Flyer advised that the final cost may increase by an estimated 5% to 20%, depending on component sourcing, selected options and production timing. Final tariff impacts will be assessed at the time of bus production, and RIOC will be notified of any pricing adjustments.

The total cost of the new hybrid bus is \$1,005,706, including a negotiated five-year / 300,000-mile warranty on the engine, axles, and hybrid drive system, surpassing the industry standard two-year warranty. The full projected cost, including training, tariffs and contingency, is outlined below:

Item	Cost
New Flyer Xcelsior XDE40 Base Bus Price	\$1,005,706
Contingency (5%)	\$50,285
<i>Subtotal</i>	<i>\$1,055,991</i>

Additional Costs	
Training & Diagnostic Tools	\$13,269
Tariffs* (20%)	\$201,141
Total	\$1,270,401

Recommendation

Based on New Flyer’s track record, ability to meet our standards, and the proven reliability of their buses, we recommend that the Board of Directors authorize the purchase of one (1) Xcelsior XDE40 hybrid bus from New Flyer Industries for the total cost of \$1,270,401.50.