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Agenda Item V. 1. January 22, 2026

PROPOSED RESOLUTION

**AUTHORIZATION TO ENTER INTO CONTRACT WITH NEW FLYER INDUSTRIES LIMITED
FOR THE PURCHASE OF A HYBRID BUS MODEL XDE40**

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 Limited for the Purchase of a Hybrid Bus Model XDE40, upon such terms and conditions substantially similar to those outlined in the Memorandum from Mary C. Cunneen, Chief Operating Officer & Vice President, to RIOC Board of Directors/B. J. Jones, dated January 14, 2026, attached hereto;
- Section 2. that the President/Chief Executive Officer or President’s designee 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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M E M O R A N D U M

To: RIOC Board of Directors, B.J. Jones, President and CEO
From: Mary C. Cunneen, Chief Operating Officer and Vice President
Re: Authorization for Procurement of a (1) 40' Heavy Duty Hybrid Electric Bus
Date: January 14, 2026

Background

Roosevelt Island Operating Corp (RIOC) has maintained a Red Bus Service for island residents and visitors for several decades. This service operates twenty-one (21) hours per day, seven days per week and features 8 stops connecting the North and the South ends of the island. The current fleet is comprised of seven (7) 40-foot ADA-accessible transit buses and a 14-passenger shuttle bus. To maintain this operation a minimum of eight (8) buses is needed to run effectively. Maintaining a fleet of this size ensures service continuity by providing a spare vehicle and allows the maintenance team to perform regular preventative maintenance without disrupting daily service.

In June 2025, the Board of Directors approved the purchase of a New Flyer Hybrid bus with delivery anticipated at the end of 2026. While this purchase would increase the fleet of eight (8) buses, the most senior bus in our fleet, a 2009 Orion Hybrid bus, has exceeded 300,000 miles and is approaching the end of its useful life. Replacement parts are no longer available due to its obsolescence it is planned for decommissioning.

Given these circumstances, the purchase of an additional New Flyer Hybrid bus is necessary to maintain a reliable fleet of eight (8) buses. Discussions with New Flyer have confirmed that, if an additional bus is purchased at this time, both hybrid buses can be delivered concurrently at the end of 2026.

Procurement Process

Through conversations with the Metropolitan Transit Authority (MTA), RIOCC confirmed that the pricing provided by New Flyer was consistent with the base bus pricing in the MTA's recent bus procurements. Notably, the MTA purchases vehicles in significantly larger volumes and includes additional equipment and specifications beyond RIOCC's requirements. Despite these factors, the base bus pricing offered to RIOCC remains consistent, demonstrating that the proposed cost is competitive, reasonable and reflective of current market conditions.

This purchase is being conducted through a single-source procurement with New Flyer of America, a manufacturer that has reliably supplied buses to RIOCC for over 20 years. Maintaining a consistent fleet manufacturer provides significant operational benefits, including streamlined parts inventory, technical support, enhanced maintenance practices due to mechanic familiarity with vehicle systems and repair procedures. This continuity minimizes training requirements, supports safer and more reliable operations, and reduces lifecycle costs. 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 of America is a leading North American bus manufacturer with a strong record of producing reliable and durable transit vehicles. RIOCC's entire existing fleet is comprised of New Flyer vehicles. Standardizing the fleet simplifies operations, reduces training requirements, and improves parts and maintenance efficiency. RIOCC's maintenance staff are familiar with the parts, diagnostic tools and operational systems used in these buses.

Due to ongoing uncertainty around global tariffs, New Flyer advised that the final cost may increase by an estimated 5% to 25%, depending on component sourcing, selected options and production timing. Final tariff impacts will be assessed at the time of bus production, and RIOCC 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 as opposed to a standard 2 years. RIOCC would achieve upfront cost savings of \$13k because training and diagnostic tool costs were

covered under the first bus purchase in June 2025. As the second bus is due to be built and delivered together with the first, no additional training or diagnostic tool costs were required.

Item	Cost
New Flyer Xcelsior XDE40 Base Bus Price	\$1,005,706
Contingency (5%)	\$50,285
Tariffs (25%)	\$251,427
Total	\$1,307,418

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 of America for \$1,005,706, a 5% contingency of \$50,285 and 25% tariff of \$251,427 for the total cost of **\$1,307,418**.