

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2008-50

Declaration of ST Express Buses as Surplus

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	5/1/08	Discussion/Possible Action	Bonnie Todd, Transportation Services Director John May, Interim Manager, ST Express Bus Operations	(206) 398-5367 (206) 398-5016

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	
Real Estate		Property Acquisition	

PROJECT NAME

ST Express Fleet Replacement

PROPOSED ACTION

Authorizes the chief executive officer to declare 27 Sound Transit Express buses as surplus and offer them for sale to the public.

KEY FEATURES OF PROPOSED ACTION

- These 27 1994 Orion coaches have exceeded their useful life of twelve years and have over 500,000 miles each.
- These coaches have been replaced by the acquisition of seven new 45-foot MCI coaches and twenty 40-foot Gillig coaches. The coaches have been delivered and are now in service on ST Express routes operated by Pierce Transit.
- Pierce Transit will deliver the Orion coaches to an auctioneer for sale; the estimated sale price is \$1,000 per bus. The total for 27 surplus buses is estimated to be approximately \$27,000. The limited availability of CNG fueling sites negatively affects the resale value of these vehicles.
- Revenue from the sale of the vehicles will be returned to the general fund apportioned to the Pierce and South King County subareas.
- Sound Transit Administrative Policy #14 allows for the surplus of assets in accordance with RCW 81.112.080.

BUDGET IMPACT SUMMARY

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET and FINANCIAL PLAN DISCUSSION

The proposed action has been estimated to generate \$27,000 in miscellaneous revenues for the agency. For 2008, a total of \$5,611,000 was budgeted for Miscellaneous Revenues, excluding revenues generated by the sale of surplus buses. No funds from this transaction have been assumed in the Agency financial plan, so any revenue generated from the sale would have positive effects on Agency revenues.

BUDGET TABLE

The proposed action is estimated to bring approximately \$27,000 to the agency's miscellaneous revenues. The impact of this action on the 2008 budget is illustrated below:

Summary for Board Action (Year of Expenditure \$000)

Action Item: The proposed action will declare the surplus of 27 ST Express and delieve them for auction.

Lease Budget	Adopted 2008 Budget (1)	Revenue for Proposed Action	Forecasted Future Revenue
Revenue from sales of surplus buses	-	27	27
Other Miscellaneous Revenues	5,611	-	5,611
Total Miscellaneous Revenues	5,611	27	5,638

Notes

¹ Miscellaneous revenues are included on Page 16 of the Adopted 2008 Budget book.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

This action will authorize the Chief Executive Officer to declare 27 1994 Orion buses as surplus and offer them for sale to the public as planned for in the fleet replacement program.

The Orion fleet was aging and experiencing increased maintenance issues. They were replaced with diesel powered vehicles because the compressed natural gas (CNG) market has been in decline and CNG fueling systems are expensive to build and maintain. In addition, no CNG engines are 2007 EPA certified.

The seven new 45-foot MCI coaches and twenty 40-foot Gillig coaches that were procured to replace the Orions also offer more seating capacity, responding to current overcrowding issues and provide room for future growth.

Pierce Transit will deliver the Orion coaches to an auctioneer for sale; the estimated sale price is \$1,000 per bus. The total for 27 surplus buses is estimated to be approximately \$27,000. Revenue from the sale of the vehicles will be returned to the general fund apportioned to the Pierce and South King County subareas.

Prior Board/Committee Actions

Motion/Resolution Number and Date	Summary of Action
M2007-64 6/28/07	Authorizes the chief executive officer to execute a "piggy-back" contract with Gillig Corporation to purchase 20 Gillig Phantom 40-foot model diesel buses for an amount of \$8,220,000, with a 10% contingency of \$822,000, for a total authorized contract amount not to exceed \$9,042,000.
M2007-56 6/12/07	Authorizes the chief executive officer to execute a contract amendment with Motor Coach Industries, Inc. to purchase seven 45-foot long haul diesel coaches in the amount of \$3,794,000, for a new total authorized contract amount not to exceed \$10,381,000.

CONSEQUENCES of DELAY

A delay beyond May 9 will put a burden on Pierce Transit to provide storage for coaches that are no longer needed.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

SSK 4-25-08

LEGAL REVIEW

JW 4/25/08

SOUND TRANSIT

MOTION NO. M2008-50

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to declare 27 Sound Transit Express buses as surplus and offer them for sale to the public.

Background:

This action will authorize the Chief Executive Officer to declare 27 1994 Orion buses as surplus and offer them for sale to the public as planned for in the fleet replacement program.

The Orion fleet was aging and experiencing increased maintenance issues. They were replaced with diesel powered vehicles because the compressed natural gas (CNG) market has been in decline and CNG fueling systems are expensive to build and maintain. In addition, no CNG engines are 2007 EPA certified.


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Pierce Transit will deliver the Orion coaches to an auctioneer for sale; the estimated sale price is \$1,000 per bus. The total for 27 surplus buses is estimated to be approximately \$27,000. Revenue from the sale of the vehicles will be returned to the general fund apportioned to the Pierce and South King County subareas.

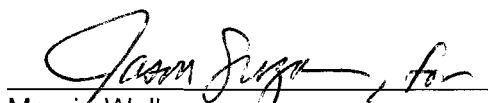
Motion:

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to declare 27 Sound Transit Express buses as surplus and offer them for sale to the public.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 1, 2008.


for Aaron Reardon
Finance Committee Chair Vice Chair

ATTEST:


Marcia Walker
Board Administrator