



MOTION NO. M2011-15
Disposing of 29 ST Express Buses

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Board	2/24/11	Final Action	Bonnie Todd, Executive Director of Operations Dave Turissini, Bus Operations Manager	(206) 398-5367 (206) 398-5035

PROPOSED ACTION

Authorizes the chief executive officer to dispose of 29 ST Express buses in a manner that is in the best interest of Sound Transit.

KEY FEATURES

- The 29 1999 Gillig buses have over 500,000 miles each, exceeding the FTA's guideline of 12 years or 500,000 miles for fleet replacement.
- Sound Transit Administrative Policy allows for the disposal of assets following Board approval when the undepreciated value equals or exceeds \$50,000.
- Sound Transit staff will evaluate and determine the disposal method that best benefits Sound Transit, either auction or selling the buses for scrap. The estimated average auction price is \$2,000 per bus, for a total value of approximately \$58,000 for all 29 buses, based on recent auctions conducted by Sound Transit partners.

PROJECT DESCRIPTION

This action will allow for disposal of these vehicles as planned for in the fleet replacement program and fulfill the 2011 Service Implementation Plan. Approximately 100 buses purchased in 1999 are scheduled to be replaced through the fleet replacement plan that started in 2010 and goes through 2012. The timing of future replacements will be defined in future Service Implementation Plans.

FISCAL INFORMATION

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

Action Item: The proposed action will dispose of 29 ST Express buses

Miscellaneous Revenue Budget	Adopted 2011 Budget (1)	Revenue for Proposed Action	Forecasted Future Revenue
Revenue from disposal of buses	-	58	58
Other Miscellaneous Revenues	20,783	-	20,783
Total Miscellaneous Revenues	20,783	58	20,841

Notes

¹ Miscellaneous revenues are included on Page 24 of the 2011 Proposed Budget book. The Board adopted the 2011 Budget and endorsed the 2011 Transit Improvement Plan on December 16, 2010.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

BACKGROUND

In 1999, Sound Transit purchased 122 buses to begin ST Express bus service. This proposed action will allow for the disposal of 29 Gillig buses that were purchased in 1999. A declaration that these buses are surplus will free them for auction or sale for scrap. The remaining 66 original buses will need to be disposed of over the next eighteen months as more replacement buses are received.

In May 2010, Sound Transit acquired 17 replacement MCI buses. In December 2010, the Operations and Administration Committee approved the 2011 SIP and, in response to the economic downturn, moved to delay some of the ST2 expansion service, reduce service on under-performing routes, and make service efficiencies on other routes. These actions have reduced the number of buses needed for service. In addition, the costs of ownership, such as storage, maintenance and insurance, associated with these buses will quickly exceed their value at auction.

ENVIRONMENTAL COMPLIANCE

SSK 2-3-11

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2010-25 – Adopted the 2011 Service Implementation Plan, authorizing the chief executive officer to implement recommended service changes in 2011 and approved the use of preliminary 2012-2016 service changes for planning and forecasting purposes.

Motion No. M2010-56 – Authorized the chief executive officer to execute a contract with Motor Coach Industries to manufacture and deliver 17 forty-five foot, high-capacity transit coaches in the amount of \$9,224,336, with a 5% contingency of \$461,217, for a total authorized contract amount not to exceed \$9,685,553.

Motion No. M2008-50 – Authorized the chief executive officer to declare 27 Sound Transit Express buses as surplus and offer them for sale to the public.

TIME CONSTRAINTS

A delay will affect King County's maintenance base capacity and ability to provide storage for these buses.

PUBLIC INVOLVEMENT

A public hearing was held on February 10, and two comments were received.

LEGAL REVIEW

BN 2-18-11

MOTION NO. M2011-15

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to dispose of 29 ST Express buses in a manner that is in the best interest of Sound Transit.

BACKGROUND:

In 1999, Sound Transit purchased 122 buses to begin ST Express bus service. This proposed action will allow for the disposal of 29 Gillig buses that were purchased in 1999. A declaration that these buses are surplus will free them for auction or sale for scrap. The 29 1999 Gillig buses have over 500,000 miles each, exceeding the FTA's guideline of 12 years or 500,000 miles for fleet replacement. Sound Transit Administrative Policy allows for the disposal of assets following Board approval when the undepreciated value equals or exceeds \$50,000. The estimated average auction price is \$2,000 per bus, for a total value of approximately \$58,000 for all 29 buses, based on recent auctions conducted by Sound Transit partners.

This surplus action is based on the following. In May 2010, Sound Transit acquired 17 replacement MCI buses. In December 2010, the Operations and Administration Committee approved the 2011 SIP in response to the economic downturn, and moved to delay some of the ST2 expansion service, reduce service on under-performing routes, and make service efficiencies on other routes. These actions have reduced the number of buses needed for service. In addition, the costs of ownership, such as storage, maintenance and insurance, associated with these buses will quickly exceed their value at auction.

Sound Transit staff will evaluate and determine the disposal method that best benefits Sound Transit, either auction or selling the buses for scrap.

MOTION:


It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to dispose of 29 ST Express buses in a manner that is in the best interest of Sound Transit.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 24, 2011.



Aaron Reardon
Board Chair

ATTEST:



Marcia Walker
Board Administrator