

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Dave Klotzle, City Engineer/Public Works Director 
Prepared by: Shaun Kroes, Senior Management Analyst 

DATE: September 22, 2011 (CC meeting of 10/05/11)

SUBJECT: Consider Sale of Three Diesel Transit Buses

BACKGROUND/DISCUSSION

On July 1, 2009, the City approved the purchase of three compressed natural gas (CNG) buses to replace three diesel buses that had reached the end of their productive life. The CNG buses began service on October 8, 2010. The buses that were replaced were a 1998 Bluebird (Bus 6433); and two, 2002 El Dorado MST II's (Buses 6448 and 6449). The replaced buses were kept at CUSA's Oxnard facility (the City's contracted bus operator) for a few months while the CNG buses were put into service. After it was determined that the CNG buses were operating satisfactorily, the older buses were taken to CUSA's offsite storage facility in Saticoy. Initially, staff at the Ventura County Transportation Commission (VCTC) had expressed interest in purchasing a couple of the City's older buses; however, VCTC staff has since determined not to purchase the buses.

Staff is requesting that the City move forward with disposing of the three older diesel buses through the use of Ken Porter Auctions. Ken Porter Auction will collect the buses from the Saticoy location and provide the City with payment based upon auction sales.

FISCAL IMPACT

While determining the value of the retired diesel buses for potential sale to VCTC, staff contacted Creative Bus Sales to get an estimated value of the vehicles. Creative Bus Sales responded that the buses were not likely valued at more than \$4,000 per bus. In addition, Creative Bus Sales noted that they were not interested in purchasing the buses from the City as they currently have a few similar models that they haven't been able to sell.

The City buses were purchased with Federal Transit Administration (FTA) funds, at a reimbursement ratio of 80%. When Bus 6433 was purchased the City paid \$158,000 and received \$77,473.88 in FTA funds. When buses 6448 and 6449 were purchased the City paid \$285,091.12 for both buses and received \$228,072.89 in FTA funds. If the buses sell for less than \$5,000 each, the City can keep 100% of the revenue. If the buses sell for more than \$5,000 each, then the City would either have to reimburse FTA at the ratio of 80% of the total per bus proceeds; or, the City could request that VCTC obligate the full value of the sales towards another FTA funded project such as a future bus purchase or another capital expenditure. Revenue from the bus sales will be deposited in the Local Transit Programs 8C Fund (5000) until or unless it is transferred to VCTC and obligated for future capital expenditures.

STAFF RECOMMENDATION

Authorize the City Manager to proceed with the sale of Bus 6433 (1998 Bluebird model) and Buses 6448 and 6449 (2002 El Dorado MST models).