

STAFF REPORT

SUBJECT: Disposal of Retired Clean Air Express Buses

MEETING DATE: October 21, 2004

AGENDA ITEM: 7C

RECOMMENDATION:

Authorize the Executive Director to sell four CNG engines from the retired Clean Air Express buses to the South Coast Area Transit (SCAT) for approximately \$10,000, and to sell the four retired chassis to Gem Equipment Company for \$1.00 each in lieu of their fee to remove and package the CNG engines for purchase by SCAT.

SUMMARY:

In November 2003, SBCAG acquired 7 new 45 foot MCI commuter coaches to expand service and replace several aging Clean Air Express buses. Since then, four 1982-84 MCI-9 CNG buses were retired from the Clean Air Express bus fleet and have been stored at the Santa Barbara Airport overflow parking lot on Hollister Avenue. After researching the used bus market, staff has determined that there is a limited demand for 20 year old CNG commuter coaches. It appears that the CNG engines are the most valuable component of the retired buses. The South Coast Area Transit agency (SCAT) serving Ventura and Oxnard has agreed to purchase all four of the used CNG engines for approximately \$10,000 to use as spare parts for their CNG bus fleet. SCAT has no interest in purchasing the four used chassis.

SBCAG has obtained price quotes from two southern California based bus mechanics qualified to remove and package the CNG engines for transport to the SCAT maintenance facility. Complete Coach Works will remove the four CNG engines for \$8,800 and has no desire to purchase the chassis from SBCAG. Gem Equipment Company has offered to purchase the chassis for \$1.00 in lieu of their fee to remove and package the CNG engines. Since the total value of the four chassis is estimated to be approximately \$3,000 to \$5,000, SBCAG would save approximately \$3,800 to \$5,800 by selling the chassis to Gem Equipment Company for \$1.00 each in lieu of paying for the removal of the CNG engines. The total transaction, including the cost of towing, would result in net revenues of approximately \$8,700 for SBCAG. These revenues will be used to help offset the ongoing costs for operating the CAE.

COMMITTEE REVIEW: None

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