



Report No: 15-182  
Meeting Date: August 19, 2015

Alameda-Contra Costa Transit District

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## STAFF REPORT

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**TO:** Finance and Audit Committee  
AC Transit Board of Directors

**FROM:** Kathleen Kelly, Interim General Manager

**SUBJECT:** Fiscal Year 2014 – 2015 Fourth Quarter Surplus and Obsolete Materials Report.

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### BRIEFING ITEM

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#### RECOMMENDED ACTION(S):

Consider Receiving the FY 2014 – 2015 Fourth Quarter Surplus and Obsolete Materials Report.

#### EXECUTIVE SUMMARY:

During the Fourth Quarter of Fiscal Year 2014 – 2015 the District sold 45 buses, 10 non-revenue vehicles, and 1 lot of surplus and obsolete parts and material for a net return of \$75,863.00 to the District.

The forty-five buses and ten non-revenue vehicles were disposed of through sale to the highest bidder and were approved for sale in Staff Reports 14-027 (non-revenue vehicles) and 14-080 (revenue vehicles). The buses have surpassed their useful life expectancy for the District's needs. All buses purchased with federal funds have met or exceeded the Federal Transportation Administration (FTA) lifecycle usage obligation of 12 years or 500,000 miles. The Van Hool buses were not purchased with federal funds and are not required to meet FTA requirements for disposal.

The surplus and obsolete parts and materials have surpassed their useful life, and were approved for sale in Staff Report 14-071 for fleets which have been retired, and are no longer on District property. All buses, non-revenue vehicles, parts, and materials were sold via auction to the highest bidder in compliance with District Board Policy 356. There were three (3) participating bidders in June 2015.

#### BUDGETARY/FISCAL IMPACT:

The net return in the amount of \$75,863.00 for the sale of obsolete vehicles and parts was applied to the District's General Fund.

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#### BACKGROUND/RATIONALE:

In accordance with District Board Policy 356, on a quarterly basis the Materials Department is required to report the sales of obsolete and surplus parts and equipment. The buses, non-revenue vehicles, and obsolete parts and materials identified in Staff Reports 14-027, 14-080, and 14-071 surpassed their useful life expectancy, have a zero net book value, and have met all

FTA requirements for disposal. The buses, non-revenue vehicles, and obsolete parts and materials were sold for fair market value at the time of the sale by means most advantageous to the District.

**ADVANTAGES/DISADVANTAGES:**

The Board of Directors has requested a quarterly report on obsolete and surplus sales.

**ALTERNATIVES ANALYSIS:**

Staff found no practical alternatives to the course of action recommended in this report.

**PRIOR RELEVANT BOARD ACTIONS/POLICIES:**

Board Policy 356: Disposition of surplus equipment, supplies, and other tangible personal property of the District.

SR 14-027 – Equipment Disposal

SR 14-080 – Equipment Disposal of Buses Based Upon Cost and Performance

SR 14-071 – Obsolete Parts and Materials Disposal

**ATTACHMENTS:**

1: Equipment and Parts Disposal List.

**Executive Staff Approval:** James Pachan, Interim Chief Financial Officer

**Reviewed by:** Denise C. Standridge, General Counsel  
Jon Medwin, Procurement and Materials Director

**Prepared by:** Fred Walls, Materials Superintendent

## Obsolete Equipment and Parts Disposal List

Qty.	Year	Model	Comments	Total (Net) Proceeds
20	2003	VanHool 60' Artic	Non-Operable	\$27,100.00
4	2003	VanHool 40'	Non-Operable	\$3,600.00
2	1998	NABI 40' 2 <sup>ND</sup> Series	Non-Operable	\$1,800.00
5	1999	NABI 40' 3 <sup>RD</sup> Series	Non-Operable	\$4,500.00
6	1999	NABI 40' Low Floor	Non-Operable	\$5,000.00
7	1999	NABI 2 <sup>ND</sup> Series Low Floor 40'	Non-Operable	\$6,300.00
1	2000	MCI 102DL3	Non-Operable	\$2,501.00
1	1998	Ford Crown Victoria	Non-Operable	\$98.00
9	1999	Ford Crown Victoria	Non-Operable	\$6,372.00

## Obsolete Parts and Material

Qty.	UOM	Description	Comments	Total (Net) Proceeds
1	Lot	Engine Cores	Obsolete	\$10,406.00
1	Lot	Transmission Cores	Obsolete	\$456.00
1	Lot	Miscellaneous bus parts	Obsolete	\$7,730.00
			<b>Total (Net) Proceeds</b>	<b>\$75,863.00</b>