



Date: June 29, 2006
 Committee Meeting Date: July 20, 2006
 Board Meeting Date: August 3, 2006
 ACTION X DISCUSSION INFO

BOARD MEMORANDUM

TO: Committee of the Whole
 Santa Clara Valley Transportation Authority
 Board of Directors

THROUGH: Michael T. Burns *Michael T. Burns*
 General Manager

FROM: Carolyn M. Gonot *Carolyn M. Gonot*
 Chief Development Officer

SUBJECT: Resolution for the Transfer of Eight Diesel Coaches

RECOMMENDATION:

Adopt the Authorizing Resolution permitting the transfer of eight 1992 Model Year standard diesel coaches from VTA's bus fleet, and authorize the General Manager to execute a transfer agreement with the Santa Barbara Metropolitan Transit District for the transfer of the eight coaches, including the Federal Transit Administration grant guidelines, conditions, and statutory requirements attached to the coaches.

BACKGROUND:

VTA acquired 90 diesel transit coaches in 1992 using a combination of local and federal funding. The Federal Transit Administration (FTA) grant funding the bus procurement was CA-90-X473. These buses, called the "9200 bus fleet" were put into revenue service in December 1992 and January 1993. In fiscal year 2000, VTA was awarded an FTA grant (CA-90-Y001) for the installation of clean diesel engines on the 9200 fleet. Absent the asset value of the diesel engines, the 9200 bus fleet would have been fully depreciated as it has exceeded its ordinary twelve-year life cycle.

DISCUSSION:

In May 2006, the Santa Barbara Metropolitan Transit District (SBMTD) contacted VTA and indicated an interest in acquiring several buses from the 9200 bus fleet to augment the SBMTD bus fleet. Discussions ensued and, after an onsite visit by SBMTD representatives in June 2006

to inspect the 9200 fleet buses, SBMTD offered to acquire eight buses. Because the Federal government still has a financial interest in the buses, it is recommended to transfer the federal interest to SBMTD, and for SBMTD to pay VTA for the remaining local interest value plus bus transfer related expenses.

SBMTD contacted the FTA Region IX office to solicit its approval for the transfer of the federal interest to SBMTD. FTA has indicated informally that it has no objections to the transaction as long as each transit agency's governing board adopts an authorizing resolution for the transfer/acceptance of the buses. The transaction, however, is subject to formal approval by the FTA after the district boards approve it.

Upon approval, VTA will transfer to SBMTD the monetary federal interest and the responsibility for meeting all federal guidelines, conditions, and statutory requirements currently adhered to by VTA. The total current depreciated net book value federal share to be transferred to SBMTD is \$69,976.08. An agreement between VTA and SBMTD will be drafted transferring all responsibility for compliance with FTA requirements and related statutes and regulations to SBMTD and indemnifying VTA.

The benefit of this bus transfer to VTA is that it allows VTA to reduce the bus fleet size 18 months earlier than planned, thereby increasing capacity for the addition of community buses to the bus fleet.

ALTERNATIVES:

The VTA Board of Directors could choose not to transfer the buses, and to keep them in inventory, although they are not required for current operational needs. If the VTA Board wishes to dispose of the buses, there are no other practical alternatives. To consummate the transfer of the buses, both the federal financial interest as well as the federal legal responsibility must be transferred to SBMTD.

FISCAL IMPACT:

SBMTD will pay the current depreciated net book value local share to VTA. The total local payment for the eight buses from SBMTD to VTA is \$109,129.10, which includes a local share of \$105,129.10 plus \$4,000 to decommission the buses.

Prepared by: Pedro Guzman, Senior Transportation Planner
Reviewed by: John Ristow, Deputy Director, Programming and Project Development

**RESOLUTION AUTHORIZING THE TRANSFER OF
EIGHT 40-FOOT STANDARD DIESEL COACHES TO
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**

WHEREAS, the Santa Clara Valley Transportation Authority (VTA) transit bus fleet includes ninety "9200 fleet" transit coaches, and

WHEREAS, eight coaches from the 9200 transit fleet are no longer needed for bus service, and which reduction in the overall VTA bus fleet will have no effect on the provision of transit service, and

WHEREAS, the eight coaches were acquired under a grant (CA-90-X473) from the U.S. Federal Transit Administration (FTA), and

WHEREAS, the eight coaches have had new diesel engines installed funded with a grant (CA-90-Y001) from the FTA, and

WHEREAS, the Santa Barbara Metropolitan Transit District (SBMTD), a mass transit provider and FTA grantee, wishes to acquire eight diesel coaches from the 9200 fleet, and

WHEREAS, the SBMTD is willing to purchase the eight coaches by paying VTA for its local share value, and to accept the FTA share, and

WHEREAS, the transfer of the FTA share of the buses to SBMTD requires SBMTD to assume responsibility for all Federal guidelines, requirements, and provisions as contained in the two Federal grants, which funded the acquisition and the improvement of the buses.

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. The VTA 9200 fleet shall be reduced by eight buses through the transfer of title to SBMTD of eight 9200 fleet 40-foot standard diesel coaches;
2. The transfer to SBMTD shall be contingent upon SBMTD paying to VTA \$109,129.10, which includes the value of the local share of the coaches, \$105,129.10, and \$4,000.00 of bus decommissioning expenses, and further upon SBMTD taking full responsibility for compliance with all FTA grant (CA-90-X473 & CA-90-Y001) guidelines, conditions, and statutory requirements attached to the eight 9200 buses.
3. The General Manager, or his designee, is hereby authorized and directed to conduct and conclude all bus transfer proceedings related to these eight 9200 transit coaches.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on August 3, 2006, by the following vote:

AYES:

NOES:

ABSENT:

CINDY CHAVEZ, Chairperson
Board of Directors

ATTEST:

MARIA MARINOS, Secretary
Board of Directors

APPROVED AS TO FORM:

Counsel