



Item #12

DATE June 7, 2017
TO GCTD Board of Directors
FROM Marlena Kohler, Purchasing Manager/DBE Officer *MK*
SUBJECT Consider Approval for the General Manager or His Designee to Authorize the Disposal of Surplus Parts for Model Year 2001-2004 NABI Bus Fleet

In compliance with the Board approved Purchasing Resolution, disposal of property or materials with any financial record valued over \$3,000 shall be by determination of the Board of Directors at a regular constituted board meeting.

Between November 2015 and March 2017 GCTD disposed of eleven North American Bus Industries (NABI) 40-foot buses manufactured between 2001 and 2004. The last of these buses was disposed on in March 2017. GCTD is left with a substantial inventory of parts purchased for these and other buses over the life of the buses. Since March 2017, GCTD's Fleet and Facilities Department has reviewed each part associated with buses no longer owned by the District to determine the usability on GCTD's current fleets; parts that can be used will remain in the District's inventory.

Fleet and Facilities has determined that a significant number of parts in inventory are not usable on any existing GCTD fleet. The quantity of parts to surplus encompasses 500 part numbers, and over 2,800 units with a total original purchase price of \$116,398. GCTD's Finance and Administration Department prefers to expense these surplus parts in FY 2016-17 rather than hold them in inventory through FY 2017-18.

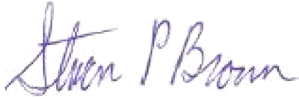
Fleet and Facilities is reviewing internal procedures and will make procedural adjustments to minimize inventory losses associated with disposal of obsolete vehicles. Potential areas to address include ordering similar components when ordering new buses. This will allow using the same part on multiple buses purchased from different bus manufacturer. Also, Fleet and Facilities will adjust the quantity of spare parts as buses near their useful life benchmark (ULB).

GCTD has in the past used Ken Porter's Auction to auction buses and related equipment with any perceived market value. Ken Porter conducts off-site auctions for many government agencies as well as private industry and hosts regular "miscellaneous" surplus sales. Auction items are listed on their website and may be bid upon by registered bidders by accessing the website or by attending the live auction. The highest bidder is notified via e-mail or at the live auction upon close of the auction. A complete and detailed expense breakdown of each item or lot of items sold will accompany a settlement check. Any parts not sold at auction will be disposed of in accordance with FTA guidelines.

GOLD COAST TRANSIT DISTRICT

IT IS RECOMMENDED that the Board of Directors authorize the disposal of these surplus parts for model year 2001-2004 NABI buses to the highest responsive bidders through Ken Porter's Auctions.

GENERAL MANAGER'S CONCURRENCE



Steven P. Brown
General Manager